DAILY DIGEST

Prepared in the United States Department of Agriculture for the purpose of presenting all shades of opinion as reflected in the press on matters affecting agriculture, particularly in its economic aspects. Responsibility, approval or disapproval, for views and opinions quoted is expressly disclaimed. The intent is to reflect accurately the news of importance.

Vol. XXIII, No. 21 Section 1 October 25, 1926

MELLON ON FOREIGN TARIFF PLAN The press to-day says: "Andrew W. Mellon, Secretary of the Treasury, issued a statement last night on the tariff, in which he pointed out that the plea of the international bankers and industrialists in their recent manifesto for removal of restrictions on trade in Europe was confined to the situation in Continental Europe and had no reference to the American protective tariff system....Because artificial barriers in Europe hinder readjustment there, Mr. Mellon contends there is no reason why the United States should change its tariff policy. He argues that the manifesto did not even seek that, despite the fact that part of the press so construed the plea of the bankers and industrialists. What the manifesto seeks to accomplish, according to Mr. Mellon, is to bring about in Europe a condition similar to that in the United States. He points out that conditions in this country are far different from those in Europe--that we have one transportation system, one language and one kind of money among 120,000,000 people; and that there is a still greater distinction--that of the standard of living. 'Unless we are willing to bring our standard in America down to the level of that of Europe,' he declared, 'we can not consider a change in our tariff, however desirable such a change may seem to Europe.'...."

BRITAIN CONTINUES RUBBER RESTRICTIONS An Associated Press dispatch from London to-day says: "The Colonial Office has decided that the Stevenson Scheme for the restriction of rubber exports from Ceylon and Malaya shall continue for at least another year, but under new regulations. These regulations will be put into effect Nov. 1 and will not be changed until November, 1927. If it should then be decided to continue the policy of restriction for a further period, the official statement says, any changes that may then be considered desirable will be made....."

NEW YORK MILK SALES The New York Times to-day reports that a 12.6 per cent drop in the volume of milk sales from Oct. 1 to Oct. 22, as compared with the corresponding period last year, was announced yesterday by Health Commissioner Harris. The figures were made public by the Commissioner in support of his charges that the campaign attacks on New York City's milk supply by Representative Ogden L. Mills, Republican candidate for Governor had "scared" consumers.

COTTON EXPORTS A New Orleans dispatch to the press to-day states that foreign exports of cotton so far this season have reached 2,124,565 bales, against 1,964,520 last year, an increase of 160,045 bales.

Section 2

Agriculture and Tariff

An editorial in Oklahoma Live Stock News for October 16 says: "One of the familiar answers made to the farmers' insistent demand for protection on a parity with industry is that domestic consumption as a result of our ever-increasing population will soon overtake production, and then the farmer will be in the saddle. We wonder how some of our infant manufacturing industries would have fared had the same line of reasoning been followed. What if they had been told, 'We know you are weak now and are having hard sledding, but you'll learn the ropes in a few years and everything will be all right. We don't believe a protective tariff would be good for you.'....The belief that American agriculture, except for a small minority like the wool and sugar beet growers, is suffering more from continued 'young industry' tariff protection than anything else is substantiated in the authoritative article, 'American Export Trade and the Tariff,' written by Dr. Jacob Viner of the University of Chicago in the September 1926 Annals of the American Academy of Political and Social Science. The author says: 'In the past the restrictive effect of the American tariff has been felt most keenly by the agricultural industries. By raising the general money cost of living and the money costs of production, the tariff has acted as a depressive influence on the prosperity and growth of American agriculture insofar as its opportunities lay in foreign markets. In the main, American agriculture still undoubtedly loses more than it gains from the protective tariff policy.....'"

Canada Adds Grain Port

A Prince Rupert, B.C., dispatch to the press of October 23 says: "Canada added a new grain port to her maritime facilities yesterday when the Dominion Government elevator, with a capacity of 50,000 bushels an hour, began operation. The Alberta grain pool, which has the new elevator under lease, has arranged for continuous shipment of Canadian wheat from the port to different parts of the world. The Canadian National Railway is bringing solid grain trains from the Prairie Provinces to keep the elevator running its full capacity of 1,200,000 bushels daily. Although the first shipments are going to Europe, vast tonnages also will be shipped to the Orient."

Cotton Situation

An editorial in Modern Farming (New Orleans) for October 1 says: "....Of real interest is the attitude of many of our farmers who blame everything and everybody in creation for low cotton prices, except the one man really to blame--the southern farmer. In years past several more or less effective organizations have been set up for the orderly marketing of cotton. These associations all had their faults, all possessed certain virtues, and all--but the last--failed because they were not supported by their farmer members. The most carelessly planned and loosely operated of these agencies, if given even fair farmer cooperation, could have, within a few years, held the cotton crop of the South in the hollow of its hand. Through some such organization we shall ultimately achieve control of our staple product--but not before the educational level of our farmers has risen above anonymous placards to a 'purer air and a clearer view.' We might close down all the gins, burn the cotton bales in every warehouse, and scatter the soil of every cotton field into the Gulf of Mexico, and yet miserably fail to stabilize the price of cotton....In the present disturbances we have an ancient law exemplified. Many of our cotton farmers have planted too heavily of the staple crop, have made no

provision for feed and food production. Their unbalanced planting program was made and carried out in the face of repeated warnings, and now that the penalty impends, these men are seeking to shift the blame to other shoulders. Even if violent methods could inflate prices for a period, they could never stabilize prices. Economic developments are slow and evolutionary in their growth; they may be hastened or retarded as we cooperate with the underlying fundamental laws intelligently or--paste up anonymous placards. But natural forces can not be coerced....'

French Wheat Duties

A Paris dispatch to the press of October 22 says: "Three members of the Chamber Committee on Bread-making Cereals have resigned on the alleged grounds that a decree reducing wheat import duties from 18 to 10 francs per quintal is unjustified. The committee decided in August that such a measure was permissible only in case of abnormal wheat prices or a sharp rise in foreign exchange. The resigned committeemen point out that the measure corresponds with the franc's rise and stabilized domestic wheat prices and declared that the decree is highly prejudicial to French agriculture. The dollar at 33 francs and decreased duties bring American wheat down to 211 francs, making domestic prices fall eight francs....If prices can be kept down the Government will have obviated the necessity of increasing bread prices, which is the very purpose of the decree."

Georgia Farm Conditions

An editorial in Manufacturers Record for October 21 says: "Against the decline in the price of cotton Georgia farmers have been fortified by exceptionally large yields of foodstuffs and feedstuffs. The Georgia Department of Agriculture places the yield of corn this year at 52,157,000 bushels or more than 10,000,000 bushels over the crop of last year and nearly 4,000,000 bushels greater than the average of 1922-1925. The tame hay crop is estimated at 582,000 tons, as compared with only 187,000 tons last year. The yield of peanuts is estimated at 141,328,000 pounds, as compared with 132,050,000 pounds in 1925. The sweet potato crop...was 9,040,000 bushels, or nearly 4,000,000 bushels over the crop of 1925 and 2,000,000 in excess of 1924. A bumper apple crop is assured, with a production estimated at 1,806,000 bushels, compared with 741,000 bushels in 1925. Sorghum syrup is estimated at 2,222,000 gallons, or more than two and one-half times the crop of last year. This increase in foodstuffs and feedstuffs will go a long way to offset the decline in cotton, and if this decline in cotton intensifies the determination of the farmers of Georgia and of every other Southern State to increase their diversified farming operations it will prove a great blessing, however hard it may be at present upon the growers and those who have financially backed the growers."

Hay Rates

The press of October 22 reports that rates on hay moving from South Dakota into Iowa, Nebraska, Illinois, Wisconsin, and Minnesota consuming points were held to be unfair October 21 by the Interstate Commerce Commission, and railroads were ordered to make a general reduction. The commission set up a mileage scale by which the new rates must begin at nine cents per hundred pounds for distances of 20 miles, and move up to a maximum of 47 cents for 1,200 miles, with intermediate levels determined in proportion to distance.

Longworth on Congress

Nicholas Longworth, Speaker of the House, in an article in Nation's Business Magazine on "The Business of Running the House", says that the quality of membership of the lower branch of Congress averages as high as that of any legislative body at any time in any country of the world. "One frequently hears complaint," he points out, "that the standard of Congress and for that matter of all of our public men, has lowered in recent years. History records that the same thing was said to the Congresses of which Clay was a member, of which Lincoln was a member, of which Blaine, Reed, Carlisle and Randall were members. It might be a fruitful topic for debate, but the result would be unconvincing, because it is not susceptible of proof....Unlike any other similar parliamentary body," he declares, "the House of Representatives of the United States is absolutely free and independent. So being it is justly jealous of its prerogatives. It resents and should resent attempted dictation from any outside source, whether it may come from a coordinate branch of the Government, from individuals or groups selfishly interested in legislation, or from organized and vocal minorities. This does not mean that it does not welcome advice and cooperation from any proper source. It welcomes, of course, advice from business men, from men interested in the upbuilding of industry and in the acceleration of the march of progress in the commerce of the Nation; it welcomes, of course, the advice and cooperation of men engaged in agriculture and proficient in its science, and of men and women interested in the welfare of the workers in all forms of industry. It welcomes, of course, the advice and cooperation of the President of the United States, and of his Cabinet, and of Department heads and experts of the various branches of Government, but it intends to preserve the independence guaranteed it under the Constitution...."

Section 3

Department of Agriculture

An editorial in the Journal of Commerce for October 22 says: "It is fully twenty years since the pure food problem reached its most acute phase in Washington and was for the time being adjusted through the adoption of the Pure Food law and the working out of a series of regulations under it. The action had come none too soon. Markets were at that time filled with dubious, spurious and adulterated foods and there was fraud of the worst sort in the making of canned and tinned food products generally....There was great improvement in technical processes under the Pure Food law, particularly during the early years of its administration. This improvement, as things finally settled down, worked itself out very largely on the basis of correct labeling....But manufacturers of a certain class have been restive under even this kind of restraint. During the war they obtained great relaxations in the restrictions to which they had been subject, through the pretense that they were thereby enabled to use materials more economically....The latest phase of the situation is afforded by the so-called 'corn sugar' controversy. This, as usual, involves the issue whether the use of given substitutes for sugar is actually injurious to human health or not, and yet the issue on these points will probably never be settled as long as chemists and physiologists disagree as much as they do at the present moment....American consumers are more and more tending to rely upon mass production for their household necessities. The number of families which now make bread, cakes, pickles, catsups and other articles of common use at

home is a small fraction of those which produced these things in the household twenty years ago. A larger and larger proportion of all classes of food is being supplied in partly cooked or partly manufactured form as in the case of our so-called breakfast foods. It is more than ever necessary that there should be correct and truthful labeling of all products not only in the interest of health, which the consumer can then safeguard for himself, but also in that of commercial honesty.'

Section 4
MARKET QUOTATIONS

Farm Products For the week ended October 23: Potatoes continued to advance. Maine sacked Green Mountains closed at $3 to $3.15 per 100 pounds in eastern cities; bulk stock $2.50 to $2.55 f.o.b. Presque Isle. Virginia yellow sweet potatoes weak at $1.75 to $2.75 per barrel in consuming centers. New Jersey yellows $1 to $1.25 per bushel hamper in New York City. New York Danish type cabbage somewhat irregular at a range of $18 to $28 bulk per ton in distributing centers; $12 to $13 f.o.b. Rochester. Apple prices tending downward. New York Rhode Island Greenings $2.50 to $2.75 per barrel in New York City; few sales at $2.75 to $2.90 f.o.b. Rochester. Eastern Staymans 75¢ to 80¢ per bushel basket and Grimes 75¢ to $1.00.

Hogs on the Chicago market to-day are 10 to 15¢ higher with a top price of $13.75 and bulk of sales at $11.60 to $13.65. The early declines of the week on fat and feeder steers were regained and that class of cattle closed about steady with last week's prices. Cows and heifers are also about steady when compared with last week's prices while vealers range from $1 to $1.50 lower, and heavy calves also showing some decline. Fat lambs are about 25¢ lower, yearling wethers are fully 25¢ lower, sheep are weak and feeding lambs are strong.

Hay market developes firmer tone. Receipts rather light and active demand strengthening factors. Timothy firm and in good demand. Alfalfa steady with moderate offerings. Prairie firm. No.1 alfalfa Kansas City $20; Omaha $18; No.1 timothy New York $24; Cincinnati $19; St.Louis $23. No.1 prairie - Kansas City $16; St.Louis $18; Minneapolis $19.

Grain market generally firm. Wheat prices working higher with futures showing more strength than cash grain. Foreign markets weaker at close. Corn practically steady with new crop futures slightly higher than week ago. Oats up about one cent per bushel.

Average price of Middling spot cotton in 10 designated spot markets declined 55 points during the week, closing at 11.98¢ per lb. December future contracts on the New York Cotton Exchange declined 59 points, closing at 12.33¢ and on the New Orleans Cotton Exchange they declined 43 points, closing at 12.40¢. October futures at New Orleans declined 41 points, closing at 12.34¢.

Butter markets during the week ending October 23 were following a steady trend. Trade was moderate and supplies were no more than adequate. The use of storage butter was still on the increase and consumption was reported as satisfactory. Closing prices on 92 score: New York 47 1/4¢; Chicago 47¢; Philadelphia 42¢; Boston 47¢.

Cheese markets were steady with trade rather quiet. Wholesale prices on the Wisconsin primary markets for October 21 were: Single Daisies 23 3/4¢; Longhorns 24¢; Square Prints 25 1/4¢.
(Prepared by Bu. of Agr. Econ.)

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Vol. XXIII, No.22 Section 1 October 26, 1926

THE COTTON SITUATION

The press to-day reports: "Estimates of a record cotton crop, issued yesterday by the Agriculture Department, which still further battered an already shattered market, made the relief measures for the southern farmers being planned by the President's cotton commission all the more necessary, it was said yesterday at the Treasury. Eugene Meyer, chairman of the commission, is in the South, where efforts are being made to establish emergency financing agencies in the strategic parts of the Cotton Belt to take care of credits during the crisis. But Secretary Mellon, a member of the committee, let it be known that the Government report of 17,454,000 bales had been expected, indicating that the commission had been considering the situation from the standpoint of a record crop this year. The latest Government estimate means an increase of 1,354,000 bales over the 1925 cotton crop. On the basis of a crop of 16,000,000 bales this year, plus the carry over from last year, southern farmers have been seeking aid to hold a surplus of 4,000,000 bales off the market until prices strengthened. But the estimates of the Government crop-reporting experts now indicate that a surplus of 5,000,000 bales will have to be dealt with. The greater the surplus the longer some of the excess cotton will have to be withheld from the market and the larger the financial problem involved. However, according to Secretary Mellon, this does not mean more credit to be supplied by the Government. As he visions the relief program, the bulk of the cotton financing is to be handled locally by private organization in the cotton-growing States...."

ALABAMA COTTON

A Birmingham dispatch to the press to-day says: "Alabama bankers, planters and business men, meeting at Birmingham yesterday, agreed to organize a $1,000,000 finance corporation to hold 300,000 bales of the State's cotton crop for eighteen months or longer. The action was at the suggestion of Eugene Meyer, personal representative of President Coolidge, and A. C. Williams, of the Federal Farm Loan Board. The conference also agreed to wage a vigorous campaign to cut next year's cotton acreage 25 per cent."

COTTON PRICES

A New York dispatch to the press to-day says: "Heavy buying by cotton textile manufacturers prevented serious decline in cotton prices yesterday on publication of the Department of Agriculture's crop estimate indicating a yield of 17,454,000 bales, the largest on record. Prices crumbled about $1.50 a bale to the lowest level since 1921 on speculative selling immediately after the report came out, but the losses were recovered and the market closed two to twelve points net higher. The buying by the textile trade was said to be based on the belief that the present price of about 12 cents a pound for cotton is less than the average cost of production. This leads to the circulation that decreased acreage and higher prices will be the rule next year, making it advisable to provide for future requirements at the present time...."

Section 2

Alaskan Apples Shipped

An Anchorage, Alaska, dispatch to the press of October 24 says: "The first commercial shipment of Alaska-grown apples has been made. Boxes of a variety known as yellow transparents were sent from Hope, on Turnagain Farm southeast of here, to Anchorage. The trees on which the apples were grown have been bearing for five years. Absence of blemishes on the fruit was noticeable."

Australian Wool Outlook

An editorial in The New Nation Magazine (Sydney) for September says: "Taking the long view, the outlook for wool encourages optimism. It is not intended to infer that an era of boom values is probable or even possible. The statistical position is sound enough but everything depends upon how trade develops and it is abundantly clear that the wise policy to-day is to sell freely and so foster confidence. No section of wool users can be said to be over-prosperous. All have had their losses and still have their difficulties, but the position has much more hope in it at present than for some time past. It is probable that the trade attitude will be to move warily at first but with conditions generally improving and the selling program definitely mapped out, there is no reason why the sales should not continue satisfactorily. The clip will be a substantial one but not as large as was originally anticipated, owing to the severe stock losses through the drought in Queensland. There is, however, practically no carry-over of old wool, and if trade conditions gather strength every bale will be needed and, indeed, it may ultimately prove that stocks are below requirements...."

Cotton Co-operation

An editorial in Farm and Ranch for October 23 says: "....Cotton growers and those financial and commercial interests directly dependent upon the prosperity of the growers, are no less to blame for the weaknesses of the present system than those who are farther removed from the cotton fields. It is therefore mere childish behavior for the different elements to make faces and abuse each other. Until all of them are willing to look the facts in the face and each take his share of the responsibility for correcting the evils, nothing will be accomplished. But among them all, the greatest responsibility rests upon the cotton grower himself. His is a world product, and it must be studied and handled as such. If he will unite with his fellow-growers he can know more about cotton in every aspect than do any or all existing agencies. If he attains this knowledge he can control or eliminate much of the uncertainty and reduce the chances of disaster which now obtain. Any permanent solution of any problem must be based on accurate knowledge of every fact pertaining to the problem, and must be carried out with a degree of unanimity which can be attained only by grower-organization. It is begging the question to say that such an organization can never be. It is just as bad to say that the growers must be financially free first. If they were financially free there would be little incentive for changing their condition....There are obstacles, to be sure. There are as many opinions as there are counties, but when broad-minded, sincere farm leaders say 'come, let us reason together,' and act upon it in the true American spirit of tolerance, it will be found that the differences are mostly in details and not in fundamentals, that common ground can be found upon which all can stand....The politicians can not do it for us and others will not do it for us. Shall we do it ourselves?"

Cotton Economics

An editorial in The Wall Street Journal for October 25 says: "Because its editorial comment is by no means unintelligent, indeed rather above the average for newspapers of its class, the following extract from the Shenandoah Evening Sentinel is presented. That newspaper is published in Southwest Iowa and has a professed appeal to rural readers. The Sentinel says: 'There is something wrong with the economic conditions of the world when a big crop produces disaster. The big crop causes a big fall in prices. Farmers who labor long and earnestly to raise all the cotton or corn they can then find that they would have been better off to have raised half as much. Sounds preposterous, doesn't it? Yet this is a fact that causes farmers to suffe when they do not deserve it.' All the Sentinel proves is that 'the economic conditions of the world' are remorselessly right and that the farmer has put himself in the wrong. When a manufacturer of anything produces more than the consumer wants, or something other than the consumer wants, he may plead that he was badly advised or that he did not want to put his work people out of a job, or that he thought he could stimulate buying by advertising. But the loss was clearly his own fault; he does not pretend that he did not deserve the consequences. That would be what business men all over the country and not merely in Wall Street, as much in Shenandoah, Iowa, as in New York, would call pleading the baby act. In the face of all sorts of warnings, from Wall Street and Washington, from his own bankers and from general newspapers all over the Union, the southern cotton grower insisted upon planting a large acreage of cotton. He was advised, and even besought not to do so. He thought that his neighbors would heed those warnings and that he, consequently, would be one of the farmers with a full crop and would, therefore, reap the advantage in the prices. In fact, he was disloyal to his class, and he always has been undependable in agreements of that kind....But if we were to say that the farmer, or any class, deserved misfortune, the punishment for a breach of plain economic laws, who among us would escape? We all do foolish things at times....It is clear that the farmer can not suffer alone. We must bear one another's misfortunes. The farmers of Southwest Iowa would be well advised to take their consolation from the Shenandoah Sentinel, and their economics from the most intelligent banker of their acquaintance."

Cotton Prices and British Trade

A London dispatch to the press of October 25 says: "Cotton trade experts last week expressed themselves optimistically concerning the future. The cheapness of raw cotton is now accepted as a very strong factor in favor of revival of the textile trade. As yet, however, even with raw material selling at its lowest price in more than five years, manufacturers are still holding off, under the impression that even lower prices may be reached. There is no rush to buy cotton merely because it is cheap or because America is threatening to take millions of bales off the market. The view here is that it is impossible to create a favorable market feeling by such action. Manchester textile merchants are by no means convinced that current prices for cotton goods are safe, so that there was little increase in activity in advance of publication of Monday's bureau report. But the longer view is distinctly more hopeful, and would probably become more so on any sign of recovery in cotton prices."

Georgia Agriculture

An editorial in The Wall Street Journal for October 23 says: "In the past four years Georgia has eaten up more than five of its cotton crops. At present prices the 1926 crop of lint will be eaten in less than seven months. Thus, on thumb nail space can be shown the folly of any agricultural State devoting itself entirely or even largely to a single crop. Authority for these figures is in a compilation by F.H.Abbott, secretary of the Georgia Association, and published in The Week, official organ of the Utilities Information Committee. This was also republished by the agricultural department of the Atlanta & West Point Railroad Company. Mr. Abbott gives the production and consumption in Georgia of staple foods and some feeds, and then adds: 'One million three hundred and seventy-five thousand bales of cotton at 17 cents per pound are required to pay for the beef, pork, corn, poultry and dairy products annually imported into Georgia from other States.' This would mean that Georgia's consumption of these staples alone amounts to about $112,000,000 more than the production. The deficit was enough to absorb the valuable cotton crop of 1924. In the past five years Georgia's cotton lint production amounted to about $465,000,000, which would bear out the estimate of five crops being eaten up in four years. The calculation takes no account of other foods or of feeds and forage. This compilation shows that the outside purchases of hay annually amount to $61,600,000, or two-thirds of the average of the cotton crop of the past five years. It would take 20 per cent of the best cotton crop Georgia has raised to make up the deficit in consumption of eggs. The State's importation of hay, corn and eggs would absorb the proceeds of the average crop of cotton. Georgia is not cited here as a horrible example. In fact, its position is one of the best among the cotton-producing States. In the past few years its leaders have been trying, with considerable success, to lead it away from the one-crop idea."

Government Commodity Control

The press of October 25 says: "Government control has been established over the production and marketing of nine important commodities which the United States must purchase from abroad to a total of more than $1,000,000,000 annually, the Commerce Department reported October 24, and further extension of the trend is possible. The situation was summarized in advance sheets of the forthcoming annual report of the department. On the heels of the great success attained by the British rubber restrictions, foreign Governments have sought to lift up the price of long staple cotton, camphor, coffee, iodine, nitrates, potash, mercury and sisal. Most of these, E.G.Holt, chief of the department's rubber division, pointed out, are essential to American industrial activity, and the United States stands as the greatest single national consumer of them. 'Unless some deterrent arises, the enormous profits of some of the controls already in operation will not only serve to stimulate unreasonable prices for other controlled products, but will serve to encourage attempts upon other commodities,' Mr. Holt predicted. It is the belief of the department that this development will be retarded by the remonstration of practical defense action in the case of rubber during the last fiscal year."

Section 3
MARKET QUOTATIONS

Farm Products Oct. 25: Livestock Quotations at Chicago. Top price on hogs was $13.75 while bulk of sales was at $11.85 to $13.65.

New York sacked Round White potatoes closed at $2.75-$3 per 100 pounds in eastern markets; $2.40-$2.55 f.o.b. Rochester. Maine sacked Green Mountains at $3-$3.35 in city markets, bulk stock mostly $2.50-$2.55 f.o.b. Presque Isle. New York yellow onions $1.75-$2.10 sacked per 100 pounds in eastern markets; $1.50-$1.65 f.o.b. Rochester. Midwestern yellows $1.50-$2 in consuming centers; $1.35-$1.60 f.o.b. Virginia yellow sweet potatoes ranged $1.50-$2.85 per barrel. Tennessee Nancy Halls $1-$1.10 in Chicago. New York Twenty Ounce apples $2-$2.50 per barrel in eastern cities. Virginia Yorks and Staymans $2.50-$3 in New York City; $2.50 f.o.b. Potomac Valley. Michigan and Illinois Jonathans $4-$4.50 in Chicago.

Average price of Middling spot cotton in 10 designated markets advanced 4 points, closing at 12.03¢ per lb. December future contracts on the New York Cotton Exchange advanced 2 points, closing at 12.35¢, and on the New Orleans Cotton Exchange they advanced 9 points, closing at 12.47¢.

Closing prices on 92 score butter: New York 47 1/4¢; Chicago 47 1/2¢; Philadelphia 48 1/2¢; Boston 47¢.

Closing prices at Wisconsin primary cheese markets Oct. 23rd: Single Daisies 23 3/4¢; Longhorns 24¢.

Grain prices Quoted: No.1 dark northern $1.45-$1.52; No.2 red winter St.Louis $1.43. No.2 hard winter St.Louis $1.47; Kansas City $1.40-$1.43. No.2 yellow corn Kansas City 78¢. No.3 yellow corn St.Louis 76¢; ~~[illegible]~~ Minneapolis 74¢. No.3 white oats St.Louis 46¢; Minneapolis 42¢; Kansas City 45¢. (Prepared by Bu. of Agr. Econ.)

Industrials and Railroads

Average closing price	Oct. 25,	Oct. 23,	Oct. 24, 1925
20 Industrials	148.78	149.76	152.97
20 R.R. stocks	116.76	116.51	104.62

(Wall St. Jour., Oct. 26.)

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Vol. XXIII, No. 23 Section 1 October 27, 1926.

COTTON CUT DEMANDED

A Dallas dispatch to the press to-day says: "Texas bankers yesterday issued an ultimatum to farmers to reduce their cotton acreage 25 per cent or run the risk of curtailment of loans. This action was taken at a meeting of the Texas Bankers Association called to adopt definite plans for meeting the present cotton depression and to carry out policies adopted at the recent conference in Memphis.

A Little Rock dispatch states that Governor Terral was asked yesterday by a State-wide conference of farmers and business men to call a special session of the Arkansas Legislature to enact legislation limiting cotton acreage.

An Atlanta Associated Press report to-day says: "Application for a charter for a $1,000,000 corporation to be known as the 'Georgia Cotton Finance and Holding Company,' will be made soon by a committee composed of Georgia bankers, business men and agriculturists. The committee expects the withdrawal of 300,000 bales from the market through the new company."

LAND RECLAMATION

The press to-day says: "A new national policy for reclaiming the range on the 200,000,000 acres of the remaining public domain--through well-drilling and establishment of water holes--is being studied by the Interior Department: The plan involves a revision of the present Federal land laws to be recommended by Secretary Work to the coming session of Congress. It contemplates the development of watering places for livestock at strategic points throughout the public land areas....It has been estimated that grazing on the public domain saves a feed bill of $40,000,000 each year to the livestock industry."

FARM MACHINERY MONOPOLY

The Associated Press to-day reports: "After an absence of twelve years, the International Harvester Company yesterday again was before the Supreme Court to answer a charge by the Government that it was monopolizing the harvester business....William J. Donovan, of the Department of Justice, on behalf of the Government, insisted the company had not carried out in good faith its agreement of 1914 to restore competitive conditions in the harvester trade....William S. Elliott, counsel for the company, held the company's output in harvesting machinery constituted only twenty per cent of the volume of its entire business and that there was active competition in all other lines. He insisted the Government conceded competition and declared the company could not restrain trade in harvesters, if it wanted to, because it was dependent upon the good will of its customers in marketing at least eighty per cent of its output, even if the Government's claim were conceded. The Government told the court it was not high prices in harvesting machinery that caused the complaint, but apprehension that the power of the company over the price of harvesters was controlling the activities of all its competitors in all lines of business...."

Section 2

Acreage Restrictions

In an editorial on "Restoring the Cotton Balance," Northwestern Miller for October 20 says: "There are certain sound objections to restricting wheat acreage as a means to increase the price of that grain. Wheat is food, the basic food of this country and of the world Artificial reduction in the acreage sown to it might conceivably go far beyond man made plans and, in an adverse season, produce actual bread want in the world. This objection applies to no other grain and of course, not at all to cotton."

Butter Tariff

An editorial in Hoard's Dairyman for October 25 says: "Although butter is in plentiful supply and is two cents lower than in September a year ago, prices would doubtless be two to four cents, or more, lower than they are if the American dairy farmer last spring had not received from President Coolidge the increase of four cents in the tariff. Despite a greater production than last year and increased storage, the new tariff of 12 cents is proving effective in protecting the butter producer of the United States and maintaining our domestic prices above the foreign level. During September the wholesale price in New York was 8.3 cents above the price in Copenhagen, 12.4 cents above Montreal, and 9.3 cents above New Zealand butter on the London market. Foreign prices have declined ten cents from a year ago as against our decline of two cents. New Zealand butter could scale last year's 8-cent tariff wall and undersell our domestic supply. Australian butter can be laid down in New York to-day, pay the present 12-cent duty, and undersell the American product in New York, for Australian butter in London is 10 cents under the New York quotations and its export bounty will cover the balance of the American tariff charge it must pay to enter New York. Over and above the present price advantage of the American producer is the influence of a large increase in supplies of butter that would tend to disorganize our domestic markets and depress prices. This effect can not be measured, but exists and would occur if our tariff did not prevent importation of foreign butter. Consumption of butter in the United States is in such nice balance with production that it takes only relatively small increases in supply to effect a reduction in price altogether out of proportion to the excess of supply."

Cash and Credit Crops

An editorial in Farm and Ranch for October 23 says: "We call cotton a cash crop. In most instances it is misnamed, for in reality it is a credit crop. A cash crop is one that the farmer sells and takes the money home with him, or puts it in the bank to be drawn on to educate the children, put running water and lights in the house, or to spend in any other manner he and his wife want to. A credit crop is one that is produced on borrowed money, or one that is sold to pay the banker, the merchant or other person owed for food and feed which should have been produced on the home farm. The man who grows a credit crop is surcharged with hopefulness. He starts the year in debt and gets in deeper throughout the spring and summer months. He is all the time hoping that he will produce a big cotton crop while his competitors in some other section have hard luck. Only when this happens does he get enough for his cotton to pay his debts and have a little left....Cotton, wheat or other products are only cash crops when the proceeds can be used by the producer for any purpose he sees fit. They can only be cash crops when most of the living for the family and

general farm expenses are paid for by other products. Cash crops are always found on farms where the 'Live at home and board at the same place' plan is practiced with regularity."

Cotton Crop Forecast

An editorial in The Baltimore Sun for October 26 says: "The South's hope that this week's Government forecast of the cotton crop would show a smaller yield than previous estimates has met with disappointment....An encouraging feature of the situation is that the planters and business men of that section are under no delusion as to the cause of their troubles and that there is less disposition to depend upon the Government to remedy it than was shown in the Corn Belt in similar circumstances. Neither more credit, Government warehousing, nor any stabilization scheme can maintain a high price level for any commodity of which so great a surplus is produced year after year. The wildest advocate of Federal aid is forced to admit that relief must be had by reduction in planting of cotton and by crop diversification--matters the Government can not control."

Economic Development

Walter Parker, economist, in an address at Pittsburgh October 26 before the members of the National Association of Commercial Organization Secretaries, said: "Annually the people of the United States pay about eleven and a half billion dollars in taxes. About two million people are added to our population each year. In periods of prosperity such as we have been witnessing, approximately fifty billions of new wealth are added to our national total every twelve months. A youthful country, with monster natural resources and free play for business enterprise alone could produce such results.... Economic pressure is forcing us to find world markets for the products of our mills rather than for the raw products of our fields, forests and mines. Ultimately, the United States will import raw material and foodstuffs on a larger scale. Some day the United States will be largely dependent upon foreign supplies of raw material and food just as the older developed nations of the world now are. Meanwhile, because of abundance, and because American business has developed a genius all its own, no governmental machinery for the guidance and development of the economic life of the United States, in the larger sense, has ever been created. Many bureaus, reporting to several departments, concern themselves with angles and parts of such problems but the endeavor is not adequately coordinated nor comprehensively planned. In fact, a national policy, looking to the permanent economic welfare of the country as a whole, is yet to be formed. Such policy as may exist is vague, and subject to many throttling influences...."

New York Milk

A Utica, N.Y., dispatch to the press of October 26 says: "When representatives of the Dairymen's League meet at Utica on Wednesday resolutions condemning the crusade of Ogden L. Mills against what he declares to be impure milk will be presented. If they are not acted upon it will be simply because the policy of the organization may preclude it from taking any sort of political action. But the dairymen who are threatened with a reduction in the price paid to them for their products may force action, regardless of the policy. Grant Slocum, one of the founders of the Dairymen's League, is a personal friend of Representative Mills, but he is known to be peeved over the charge that a vast quantity of the milk distributed in New York is adulterated. Mr. Slocum will be one of the leaders at the convention, and he will

be asked by local dairymen to father a resolution attacking the Republican candidate for Governor for what they declare is his attitude of hostility to the milk producers. It is pointed out that the statement of Mr. Mills that 65 per cent of the milk sold in the Bronx is adulterated is 'grotesquely absurd.' Seventy per cent of all the milk consumed by the residents of the Bronx is distributed through the Dairymen's League, and it could not be adulterated unless officers of the organization were privy to the fraud, it is declared....."

Packers Urge Advertising

A Chicago dispatch to the press of October 26 says: "World-wide advertising of American farm products was recommended as a means to agricultural relief at Chicago October 25 by Oscar G. Mayer in his address as president to the twenty-second annual convention of the Institute of American Meat Packers. 'Since surpluses do not develop every year in every crop,' he pointed out, 'the effort to dispose of the surplus through advertising would permit of great flexibility. In most cases it would permit concentration on the commodities which most need it, and in consequence it would be possible to increase the consumption of foods of which there is a surplus and thus balance production with demand in a most helpful way.' Mr. Mayer said the packer would like to see the position of the farmer improved, 'the farmers better and more coherently organized,' because such a situation would tend toward more orderly production and marketing of livestock, 'one of the most vexing problems the packer and, incidentally, the producer, has to contend with.'"

Women in Government Service

A slow but certain widening of the field of women's service in the Federal Government departments is clearly evident, the Women's Bureau of the United States Department of Labor states in a report just off the press. Measured by the actual numbers who receive $1,860 or more a year, for example, stenographic and clerical positions offer opportunity for advancement to the larger number of women, but measured by the proportion who reach and go beyond this amount, the greater opportunities for women lie in professional and scientific fields. The proportion of men, however, receiving the more attractive salaries still far exceeds that of women. Practically all the women in the departments surveyed who were engaged in auditing and accounting were found to be in the Treasury Department; by far the most of those in legal work, in the Interior Department; 38 of the 94 in fact collection service were in the Department of Labor, 19 in Commerce, and 14 in Agriculture; 63 of the 87 women engaged in scientific research and investigation were in the Department of Agriculture, 35 of them in the Bureau of Plant Industry as botanists, plant pathologists, plant physiologists and nematologists. Those in administrative work were scattered, with the biggest groups in Agriculture, Labor, and the Treasury, the highest positions filled by women being member of the Civil Service Commission, member of the Employees' Compensation Commission, chief of the Bureau of Home Economics in the Department of Agriculture, chief of the Children's Bureau and director of the Women's Bureau in the Department of Labor, and Assistant Director of the Mint. In library service 42 of the total of 67 women were in the Department of Agriculture, and the majority of those doing editing and translating were found in the Departments of Labor and Agriculture.

Section 3
MARKET QUOTATIONS

Farm Products

Oct. 26: Chicago hog prices closed at $13.75, bulk of sales $12 to $13.65; beef steers choice $10.60 to $12.35, heifers, good and choice $7.75 to $11.75; cows, good and choice $5.65 to $7.75; low cutte and cutter $3.65 to $4.50; vealers, medium to choice, $9.50 to $12; heavy calves medium to choice $4.75 to $6. Fat lambs $11.75 to $14.10; yearling wethers, medium to choice, $9.25 to $12.25; fat ewes, common to choice $4.75 to $7; feeding lambs, medium to choice $12 to $13.90.

New York sacked Round White potatoes ranged $2.85 to $3 per 100 pounds in eastern cities; $2.50 to $2.60 f.o.b. Rochester. New York Twenty Ounce apples brought $1.75 to $2.25 per barrel in city markets. Virginia Yorks $2.75 to $3 in New York City; $2.50 f.o.b. Potomac Valley. Virginia Yellow sweet potatoes mostly $1.75 to $2.50 per barrel in terminal markets. New York yellow onions sold at $1.75 to $2 sacked per 100 pounds in eastern consuming centers; $1.50 to $1.60 f.o.b. Rochester. Midwestern stock $1.60 to $2 in leading markets; $1.35 to $1.50 f.o.b. Warsaw, Ind.

Grain prices quoted October 26: No.1 dark northern Minneapolis $1.44. to $1.51. No.2 red winter St.Louis $1.42. No.2 yellow corn Chicago 78¢. No.3 yellow corn Chicago 77¢; St.Louis 76¢; Minneapolis 74¢. No.3 white oats Chicago 44¢; St.Louis 45¢; Minneapolis 42¢.

Average price of Middling spot cotton in 10 designated spot markets declined 13 points, closing at 11.89¢ per lb. December future contracts on the New York Cotton Exchange declined 15 points, closing at 12.20¢, and on the New Orleans Cotton Exchange they declined 18 points, closing at 12.29¢. (Prepared by Bu. of Agr. Econ.)

Industrials and Railroads	Average closing price	Oct. 26,	Oct. 25,	Oct. 26, 1925
	20 Industrials	149.35	148.78	153.60
	20 R.R. stocks	117.23	116.76	105.10

(Wall St. Jour., Oct. 27.)

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DAILY DIGEST

Prepared in the United States Department of Agriculture for the purpose of presenting all shades of opinion as reflected in the press on matters affecting agriculture, particularly in its economic aspects. Responsibility, approval or disapproval, for views and opinions quoted is expressly disclaimed. The intent is to reflect accurately the news of importance.

Vol. XXIII, No. 24 Section 1 October 28, 1926.

PACKERS' BOOKS A Chicago dispatch to the press to-day says: "Litigation of several years between the Government and the large packing companies over the Government's right to examine the packing companies' books was decided for the packers yesterday by the United States Circuit Court of Appeals, which ruled that the Government has no right to examine or make copies of the books. The Court also ordered the dismissal of mandamus proceedings instituted by the United States Attorney General and previously unheld by Federal Judge Adam C. Cliffe. The Government action was based on the Packers and Stock Yards act of 1921 which, the Government contended, gave the Secretary of Agriculture the right to examine and make copies of all of the books and records of the packers for the information of Congress and for use in the possible investigation of conditions in the packing business....."

COTTON CREDITS An Associated Press dispatch from Raleigh, N.C., to-day says: "A substantial oversubscription to the capital stock of the Finance Corporation for relieving the cotton crisis in North Carolina was announced yesterday by Governor McLean. One million dollars was the amount sought. The Governor stated that he was satisfied that $5,000,000 could be raised if necessary.

A Dallas dispatch says: "A $5,000,000 corporation to hold 1,250,000 bales of cotton off the market for 18 months or long enough to restore normal conditions was the plan adopted at Dallas yesterday by a committee of the Texas Bankers Association for the purpose of saving the cotton situation in this State. The committee voted in favor of the corporation plan at the suggestion of Eugene Meyer, special representative of President Coolidge's cotton committee.... Mr. Meyer said that while banks in Louisiana, North Carolina, South Carolina, Georgia and Alabama have agreed on $1,000,000 corporations of a similar nature, the real key to cotton relief lies with Texas.

A Columbia, S.C., dispatch to-day says: "Organization of a $1,000,000 corporation to hold from the market for 18 months or two years if necessary, 300,000 bales of the 1926 cotton crop of this State was unanimously voted last night by the executive council of the South Carolina Bankers Association."

THE PRESIDENT ON ADVERTISING The press to-day reports: "President Coolidge praised advertising as having played a leading part in stimulating the growth of the United States and making possible the maintenance of a high standard of living and a high scale of wages, in an address in Washington last night before the annual convention of the American Association of Advertising Agencies....The President said that while wages were high, profits had been moderate. That meant that the results of prosperity were going more and more into 'the homes of the land and less into the enrichment of the few, more and more to the men and women and less and less to the capital which is engaged in our economic life. If this were not so the country,' he said, 'would not support 20,000,000 automobiles, purchase so many radios and install so many telephones.'..."

Section 2

Cooperative Development

An editorial in Hoard's Dairyman for October 25 says: "Those who consider cooperative effort purely a commercial undertaking are neglecting to consider one of its most important benefits. When cooperative institutions are built on the right basis, leadership is developed. Further, all members of a cooperative enterprise will learn what is essential to successful cooperation and its real benefits. We have no interest in any so-called cooperative movement which does not extend opportunity to the membership to decide what shall be done and to determine who shall be their leaders. It will take longer to build a cooperative creamery, a marketing association, etc., on this basis, but it will be worth the effort. It required thirty years to develop among the patrons of the local cooperative creameries of Minnesota a sentiment for and an understanding of the advantages to be secured in marketing their butter cooperatively. The time between building the first cooperative creamery in Minnesota and organizing a cooperative selling agency was not wasted. There is no quick way of teaching the real benefits of cooperative effort. Those that have been built quickly and solely on the promises of larger returns have experienced much trouble and many of them have failed. It will be found that those that have met the largest success have a well informed membership which has its own leaders and they comprehend the real benefits of true cooperation."

Cotton Credits

An editorial in Wheat Growers Journal for October 15 says: "Cotton is selling for 10 cents a pound, $50 a bale, in the South.... Now comes the usual cry of cheap credits, to enable the farmer to hold his crop, or a part of it, until later in the season. This may help the situation somewhat. We hope so. However, there's one point that should not be overlooked. A supply of fictitious cotton can lower prices unduly the same as actual cotton. In other words, speculators can beat down the price below 10 cents a pound by selling their agreement to deliver at some future time. Suppose, then, that bankers do furnish cheaper credits to farmers, with the understanding that they are to wait until the market stiffens before selling. Heavy sales of fictitious cotton by market manipulators would scare both the farmer and banker out of their firm resolve to hold for higher prices. Another sudden drop in prices would mean an even greater rush to market than the South is witnessing to-day. It is all but useless to furnish the farmer cheap credits and at the same time permit the market manipulator to decide the price for which actual cotton is to sell....."

Cotton Farmer and Business Man

Fenner and Beane, New Orleans, Oct. 25 issued a statement which said in part: "'Do you blame the farmer for your present troubles?' asked the economist. 'Sure,' replied the merchant. 'He planted too many acres. That's why cotton is so cheap and business so slack.'....'But are we not all in part at fault? How about the merchant who advanced him goods and money; the banker who financed the merchant so he could encourage the farmer to plant every possible acre; the fertilizer man who talked him into buying so much fertilizer; the mule dealer who told him how prosperous America was and sold him more mules, and the tractor man, and all the rest? Did they give thought to the outcome? Last spring did they care a hang what would happen this fall? Of course the farmers have done an unwise thing, and are doing an unwise thing now to dump their surplus product

on an unwilling market, but the merchant, the banker, and the business man generally did an unwise thing, too, when they neglected to consider the effect of their interested help.' And so one merchant, at least, has begun to see the thing in a new light."

Egypt Limits Cotton Area

A Cairo dispatch to the press of October 26 says that the Egyptian Cabinet has decided to issue a decree limiting the increase in cotton acreage to two-thirds of the present area for three years.

Farmers' Economic Position

Eric Englund, Professor of Agricultural Economics in Kansas State Agricultural College, is the author of an extensive article entitled "The Dilemma of the Corn Belt" in World's Work for November. His introduction is as follows: "Farmers are, and have been since 1920, in a disadvantageous economic position. Their products buy less of industrial goods and services than before the war. Heavy debts, contracted in a period of high prices, together with comparatively low returns in recent years, have resulted in bankruptcies and financial strain among farmers, and among those whose business depends mainly on rural patronage. Meantime, the movement to restore prewar parity of farm prices by legislation has gained a wide following. But the economic and political background of this movement is more complex than commonly supposed. From the standpoint of a constructive policy in agriculture, the causes of the increase in farm values and farm debts to a precarious level in many sections in 1919-20 deserve more systematic attention than they have received. They also merit consideration by those who would understand more fully the recent manifestations of political unrest in the Middle West. One of these causes is found in the system and practice of local banking in its relation to the inflation of land values and the piling up of farm debts before the close of 1920...."

An editorial in the same issue says: "Mr. Englund's article on the farm situation in Iowa shows that the difficulties in that State are of two kinds, farming and financial. In spite of high taxes, high wages, and a falling off in foreign demand, men can and are making money raising corn and feeding hogs in Iowa at present prices. That is, they are getting more than the cost of operation and taxes; which means that if they own their land without mortgage, they are making a profit. If they own land and have a small mortgage they are still probably making a profit. But obviously if the mortgage is big enough, the interest on it can absorb the profit. On many farms the mortgage was made in the boom times of 1919-20 and is big enough to do that. Under these conditions the farmers are apt to prefer bankruptcy to working for nothing. Nearly every one else incorporates his business and has a limited liability. The farmer limits his liability by insisting that are bank foreclose the mortgage. That may mean that he will lose his farm; but since the mortgage is for more than the farm is now worth on its earning basis, that is a gain to him. By borrowing he could buy his own farm in at the sale and still be less in debt than if he continued the mortgage. It is this situation that led the Iowa bankers to back the movement for farm relief. They wanted some legislation that would raise farm values at least long enough to let them get their money out. This would relieve them, but unless the plan were permanent it could not help the farmers. It would merely enable them to buy back their farms at inflated prices, and when the next drop came they

would have to stand all the loss. As it is now, banks, mortgage companies, and speculators share it with them...."

France Curbs Farm Exports

A Paris dispatch to the press of October 26 says: "Restrictions on the exportation of meat, potatoes, butter, eggs, milk, wheat, barley, oats and cattle on the hoof were decided upon by a Cabinet Council October 26....The export restrictions resulted from charges that the prices of the articles named had risen in France because of wholesale shipments to neighboring countries with higher exchange rates especially Switzerland, Germany and England."

Russian Conditions

An editorial in The Commercial and Financial Chronicle for October 23 says: "The defeat of Trotsky has been regarded favorably in London, according to a special dispatch from that center to the New York Herald Tribune on Oct. 18. The correspondent said that, 'as Leon Trotsky's star fades in the councils of the Russian Communist Party hope is revived in Great Britain that the Soviet Government, under the influence of the more conservative faction headed by Joseph Stalin, will pursue a more steady and more friendly course among the nations of the world.' He commented further on the situation in part as follows: 'Trotsky's defeat in the party marks a distinct step away from the militant Bolshevism of Lenin and points toward a time when the Soviet Government will allow its ambition, to convert by force the whole world to Communism, to lapse into oblivion. Trotsky, joined by Zinovieff and supported by lesser leaders of Communism, such as Kemeneff, Yevdokimoff, Pyatikoff and Sokolnikoff, has been clamoring for a return to the aggressive policy of Lenin, and has been accusing Stalin of having lost sight of Russia's international mission to upset capitalism throughout the world. The principal bone of contention between the opposition and the Stalin faction has been the treatment of the peasants. Trotsky wanted to tax the peasants heavily in order to make them pay high prices for the goods manufactured by city workers, and thus check the peasants' capitalistic developments. Stalin, on the other hand, believes that the main hope of Russian stability lies in encouraging the peasants back to prosperity, even at the risk of letting them adopt methods of capitalism. Agriculture, as a result, has been recovering more quickly than industry. Stalin wants lower taxation for the peasants, foreseeing that in the long run their increased purchasing power will react favorably in industry. He realizes that Lenin's theories must be modified to meet present day conditions."

Virgin Forest Destruction

An editorial in The New York Times for October 27 says: "Reports from New Hampshire that one of the last bits of virgin forest in that State is to be cut will cause both surprise and distress. That here and there a few acres of the 'forest primeval' remain in the Northern States has been but dimly realized by the public. To have one of these turned over to loggers seems little short of sacrilege. The particular spot is described as Greeley Pond Notch, off the side of Osceola Mountain, not far from Waterville. The forest is mostly spruce, though in it are also the 'murmuring pines and the hemlocks.' Its area is about 4,000 acres. Small as this is when compared to the vast virgin forests of Arizona and of the Pacific States, it is nevertheless the sort of woodland that should be preserved for all time...."

Section 3
MARKET QUOTATIONS

Farm Products Oct. 27: Chicago hog prices closed at $13.75 for the top, bulk of sales $12 to $13.65; beef steers are slightly lower than last Wednesday, heifers and cows also declined. Vealers are $1.25 lower on better grades and heavy calves lost 25¢. Stocker and feeder steers are steady to 25¢ lower. Fat lambs 50 to 65¢ lower, yearling wethers 50¢ lower, and fat ewes and feeding lambs about steady with a week ago.

New York sacked Round White potatoes $2.85 to $3.10 in a few markets, and $2.55 to $2.75 f.o.b. Rochester. Northern sacked Round Whites $2.40 to $2.85 carlot sales in Chicago; $2.35 to $2.50 f.o.b. New York Danish type cabbage firm at $20 to $25 bulk per ton in eastern distributing centers; $12 to $13 f.o.b. Rochester. Onions around 10¢ to 15¢ per 100 pounds higher. Apple prices not much changed. New York Rhode Island Greenings $2.75 to $3 per barrel in New York City.Baldwins $2.60 to $2.75 f.o.b. Rochester.

Closing prices on 92 score butter: New York 47 1/2¢; Chicago 47¢; Philadelphia 48 1/2¢; Boston 47¢.

Grain prices quoted October 27: No.1 dark northern Minneapolis $1.44 to $1.51. No.2 red winter St.Louis $1.43. No.2 hard winter Chicago $1.45. No.2 yellow corn Chicago 78¢; Kansas City 78¢. No.3 yellow corn Chicago 77¢; St.Louis 75¢; Minneapolis 75¢. No.3 white oats Chicago 45¢; St.Louis 45¢; Minneapolis 42¢; Kansas City 45¢.

Average price of Middling spot cotton in 10 designated spot markets advanced 1 point, closing at 11.90¢ per lb. December future contracts on the New York Cotton Exchange, declined 1 point, closing at 12.19¢. (Prepared by Bu. of Agr. Econ.)

Industrials and Railroads

Average closing price	Oct. 27,	Oct. 26,	Oct. 27, 1925
20 Industrials	151.87	149.35	152.92
20 R.R. stocks	118.77	117.23	104.56

(Wall St. Jour., Oct. 28.)

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DAILY DIGEST

Prepared in the United States Department of Agriculture for the purpose of presenting all shades of opinion as reflected in the press on matters affecting agriculture, particularly in its economic aspects. Responsibility, approval or disapproval, for views and opinions quoted is expressly disclaimed. The intent is to reflect accurately the news of importance.

Vol. XXIII, No. 25 Section 1 October 29, 1926.

OKLAHOMA COTTON An Oklahoma City dispatch to the press to-day says: "A plan to finance an Oklahoma cotton corporation, to retire 400,000 bales of cotton from the market until conditions improve, was approved at a conference at Oklahoma City yesterday attended by Eugene Meyer, chairman of the Federal Cotton Relief Commission."

COTTON UTILIZATION The use of cotton in many industries to which its price is ordinarily prohibitive will materially increase the consumption of this staple, according to Henry Hentz & Co., who issued a statement at New York yesterday directing attention to the investment possibilities of cotton at the present low prices. "It is to be noted," this firm said, "that over half of this crop has been already ginned, of which the larger part has reached either the spinners or the futures market and so is finally disposed of as a market factor. Also, it is to be noted that cotton has an intrinsic value and that intrinsic values have a way of reasserting themselves. Later on the operation will be reversed; the spinner will have to buy the bales and the merchant must buy the futures. When this process begins, the situation will present an entirely different front. It may reasonably be assumed that prices to-day are not far from the level at which this change will occur." (N.Y.Times, Oct. 29.)

EGYPTIAN COTTON RESTRICTION A London Associated Press dispatch to-day reports: "A Cairo dispatch to the Exchange Telegraph Company says an official communique announces that the Government intends to issue a decree limiting the area under cotton to one-third of the cultivable land in Egypt. The decree will apply to foreigners and Egyptians alike and the restriction will be applicable for a period of three years. The economic crisis in Egypt brought on by the slump in the price of cotton has been engaging the attention of the Egyptian Government for weeks past and the Minister of Agriculture has been reported as investigating a plan for reducing the cotton market."

"SWISS" CHEESE PROTECTION The Associated Press to-day reports that petitions from Wisconsin Swiss cheese manufacturers urging a 50 per cent increase in the tariff on Swiss cheese, were presented to President Coolidge yesterday by W.R. Ogg of the American Farm Bureau Federation. The Tariff Commission has been investigating the situation since 1924.

APPLE WEEK The press to-day reports: "National Apple Week will be observed by New York City beginning tomorrow at noon with a parade from the Battery to Columbus Circle and a line of floats telling the story of the apple and sweet cider industry. Apple growers, trucking companies, fruit auctioneers, bands and motorcycle policemen will be in line...."

Section 2

Conservation Legislation

An editorial in American Forests and Forest Life for November says: "Regardless of the reasons which may be assigned for the important conservation measures left unacted upon by the last session of Congress, the solemn fact remains that they are still important and undecided. This means but one thing to those who are working for conservation in the United States--redoubled effort to bring about their passage by Congress during the short session about to begin. The warm June day which saw the close of Congress saw the oblivion of adjournment settle over the Migratory Bird Refuge Bill and the amendments for adequate forest fire appropriations, and also witnessed the pigeon-holding of a fiscal policy for the creation of National Forests in the eastern half of the United States....There is probably no group of conservationists which is not interested rather directly in every one of these key questions. The method of popularizing the demand and bringing it before the Members of Congress, however, has been one of group effort rather than united endeavor. Congress is not altogether to be blamed, if before such a well-meant but un... united series of campaigns, its members became confused and cautious. ...The progress of conservation demands that its advocates unite their support for the important conservation issues needing Congressional action. Probably no amount of single group effort could compare with such united weight at the proper moment."

Cotton in South Carolina

An editorial in The Florida Times-Union for October 26 says: "With all that is being said about the 'terrible condition of the cotton planters of the South' and the several idiotic propositions offered by distinguished parties to bring back and stabilize the price of the commodity, most of the newspapers in the Cotton Belt are taking matters rather more calmly. The Charleston Post, situated to know something about the conditions prevailing in the Carolinas and Georgia, says that it is pleased to put the statements of prominent men in the business and in finance against the 'disaster' headlines and grotesque appeals for burning cotton or selling a few million bales to Henry Ford. Printing interviews with John F. Maybank, who is one of the largest cotton handlers in the Southeast, and Robert S. Small, president of the South Carolina National Bank, the newspaper urges sober and calm consideration of a situation that is not desperate. Mr. Maybank, who is known as an authority all over the South, 'sees no reason why the holding of two million bales of this year's crop off the market until the bulk of the cotton produced has been digested and then marketing the reserve at a reasonable price, should not stabilize the situation and bring the cotton producers out at least whole,' says the Post. 'Nor does he see any reason why two million bales could not be held off the market at virtually eighty per cent of its present selling price, which, he holds, would be a perfectly safe loan. His own firm is doing that.' Mr. Small says that cotton at ten cents a pound valuation is desirable security, and that there is ample capital in South Carolina to take off the market surplus cotton in sufficient proportion to other parts of the South to stabilize the market. It is added that the cotton to be held should be properly protected and that there is ample warehouse space for taking care of a large amount of cotton. A considerable part of the crop has been sold and at a figure that well pays for the production....."

Cotton in Texas

Gibbons Poteet, cashier of First National Bank, Roxton, Texas, writing to Commerce and Finance for October 27, says: "...We have got to reduce the acreage. Of course, it will naturally reduce itself a whole lot. No man will want to risk much on a cotton crop next year and most of the cotton farmers will have nothing to risk--they are broke as to cash for years. And banks do not want to risk a cotton crop any more. Much--no telling how much--cotton will not be picked this year. In west Texas it is now selling from 7 cents to 9 cents and picking $1 to $1.25 per hundred, and there are not nearly enough pickers. Of course, we expect to get into operation a systematic plan for cutting the acreage--and not just the old-fashioned 'pledge'...."

Cotton Prices

An editorial in The Journal of Commerce for October 28 says: "The latest Government estimate of a cotton crop of 17,450,000 bales has not caused much surprise. Neither, it may be stated, would further additions to this estimate greatly astound those who have been closely following weather conditions in the South of late weeks. Because of the prevalent disposition to discount the effect of the latest Government returns, market conditions have failed to register as great a disturbance as might have been expected. The relatively feeble reaction to depressing news is under the circumstances an eloquent testimonial to the strength of the resistance that has been set up to further price recessions. As plans are matured for withdrawing cotton, artificially supporting cotton, and even refusing to quote cotton prices (as is now being done in Atlanta), it will become more difficult to foresee the effect of bearish estimates upon the market. Speculation will become busy trying to gauge the net result of these various emergency measures, and will exert a temporary price lifting influence that will tend to offset a further downward trend. Of all the many methods suggested for improving the situation, the Atlanta device of barring cotton quotations from local exchanges deserves to rank first as an exhibition of naivete bordering on childishness. Just how such a boycott can be expected to influence the course of world demand and supply and alter the current of irresistible economic forces remains a mystery. Still the stupidity is merely one of degree. The method is at least less harmful than the relief programs that jeopardize the safety and liquidity of the assets of our banking institutions."

Hibbard on Export Bounty

B.H.Hibbard, Professor of Agricultural Economics, University of Wisconsin, is the author of an extensive article entitled "Equality and the American System" in The Country Gentleman for November. In this he says: "....The situation in which the farmer finds himself to-day has a historical background, and can not be understood without some knowledge of the events of the past. The so-called American System has been in full operation for a century, but the farmer is right in insisting that its benefits are not very tangible. During the nineteenth century the Government disposed of land with a lavish hand. The pioneer farmers were bound to have the land and were successful in their insistence that it be sold to them at a nominal price, or granted at no price at all. It needed no great prophet to predict that agricultural produce would be overplentiful for a long period of years. Very clearly foodstuff has been superabundant during most of the time since America was settled. It was a more obvious

and easier task to make the land produce than to keep other lines of production balanced against agriculture....Though the farmer now believes that he is buying in a protected market and selling in a free-trade market, he is not ready to revolt against protection. This is because of a fear that any disturbance of the present industrial balance will react in still lower farm prices. And so far as the immediate result is concerned this view is supportable. The demand on the part of the farmer is not first for lower tariff but for some action on the part of the Government which will do for agriculture something comparable with the advantages which industry and labor have, at the hands of the State, received. The farmer has been promised help, and even told that he was being helped, for decades. He now asks for the reading of the minutes, and threatens to revolt....The national industrial policy is long past the experimental stage. To disturb it is both serious and difficult:;serious because readjustments are always painful; difficult because the prevailing economic system always holds a strategic position politically. In arriving at the conclusion that the Government should help him the farmer takes into account the situation of the laborer, manufacturer and commercial classes.....If we really want to do something for agriculture that will be effective at once and will be an offset to the tariff, the logical measure, as I see it, would be a bounty on exports. Of course, a bounty is absurd. It is as absurd as many of the tariffs, no more so, no less, and it is of the same warp and woof. The only real difference is that in one case we see it, in the other we do not. It would be reasonable to give the farmer a moderate bounty on exports in order that he might catch up with the procession, or keep a bit ahead of the collector...The real trouble with the bounty is that it is right out in the open, whereas the tariff is always well under cover. Over 40 per cent of tariff receipts are on agricultural products. Perhaps it might be feasible to divert that amount to the payment of agricultural bounties. It would be fair and effective...."

Northwest Restoration

An editorial in The Wall Street Journal of October 28 says: "By way of contrast with the cotton-growing States, which have got themselves into trouble by persisting in the one-crop idea, it is satisfactory to observe that the Northwest has shaken itself free of that fallacy. Within the past two to three years that section has built the foundation of a stable farm industry, insured by diversification against the extreme hazards of weather or the world's grain markets. Even this year, with a partial failure of spring wheat, oats and corn, farmers of the Northwest are declared by their own bankers and merchants, whose testimony can not be ignored, to be generally in better shape than they were a year ago. Only in limited areas have they lost ground, and only where the individual farmer was unwilling or unable to vary his grain program with beef and dairy cattle, sheep and poultry. Washington and Oregon, even after their early frost losses, have produced too many apples for a market well supplied from other regions. But it is characteristic of the new self-dependence of the Northwest that apple growers are turning, not to plead for Government aid, but to diversion of surplus apples into canned goods and various marketable by-products. Transformation of Minnesota from a wheat State into a great dairy farm is now a familiar story. Nebraska, the Dakotas and even

Montana have taken a leaf from Minnesota's book of experience, with the result that this year their butter, eggs, wool and meat animals will substantially offset the season's disappointments in wheat and corn. Everywhere in the Northwestern States you hear it said, with conviction, that farming must be conducted as a business, not as a blind gamble on luck and nature. The Northwest has found its profitable veins and is working them....No miracles are taking place or are expected, but a genuine economic recovery is steadily expanding over these eight or ten States. The best aspect of this improvement is that it results from courses which look patiently toward the future."

Section 3
MARKET QUOTATIONS

Farm Products Oct. 28: Grain prices quoted: No.1 dark northern Minneapolis $1.44 to $1.50. No.2 red winter St.Louis $1.43. No.2 hard winter Kansas City $1.40. No.2 yellow corn Kansas City 78¢. No.3 yellow corn St.Louis 75¢; Minneapolis 74¢. No.3 white oats St.Louis 44¢; Minneapolis 42¢; Kansas City 45¢.

Maine sacked Green Mountain potatoes $3 to $3.35 per 100 pounds in eastern cities; bulk stock $2.40 to $2.45 f.o.b. Presque Isle. Sweet potatoes irregular; prices in some cities slanting upward. New York Danish type cabbage $20 to $25 bulk per ton in eastern consuming centers; $13 to $14 f.o.b. Rochester. New York yellow onions $1.75 to $2.10 per 100 pounds to eastern jobbers; $1.50 to $1.65 f.o.b. New York Rhode Island Greening apples $2.75 to $3 per barrel in New York City. Baldwins $2.60 to $2.75 f.o.b. Rochester. Michigan and Illinois Jonathans $4 to $4.50 in Chicago.

Chicago hog prices closed at $13.50 for the top, bulk of sales $11.85 to $13.40; beef steers, cows and heifers are all selling at prices below a week ago and the better grades of veal calves are $1.25 off. Heavy calves show a decline of 25¢ while stocker and feeder steers are weak to 25¢ lower. Fat lambs are 50 to 65¢ lower, yearling wethers 50¢ off while fat ewes and feeding lambs are practically unchanged.

Closing prices on 92 score butter: New York 47 1/2¢; Chicago 47¢; Philadelphia 48 1/2¢; Boston 47¢.

Average price of Middling spot cotton in 10 designated spot markets advanced 9 points, closing at 11.96¢ per lb. December future contracts on the New York Cotton Exchange advanced 9 points, closing at 12.28¢, and on the New Orleans Cotton Exchange they advanced 10 points, closing at 12.37¢. (Prepared by Bu. of Agr.Econ.)

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DAILY DIGEST

Prepared in the United States Department of Agriculture for the purpose of presenting all shades of opinion as reflected in the press on matters affecting agriculture, particularly in its economic aspects. Responsibility, approval or disapproval, for views and opinions quoted is expressly disclaimed. The intent is to reflect accurately the news of importance.

Vol. XXIII, No. 26 Section 1 October 30, 1926.

COTTON RELIEF A Memphis dispatch to-day says: "Responding to recommendations of Eugene Meyer, chairman of President Coolidge's cotton relief committee, a conference of bankers and cotton marketing executives agreed at Memphis yesterday to organize a $2,750,000 corporation to finance withdrawal of 600,000 bales of the present crop from the market. The conference provided for appointment of a committee to direct formation of a corporation, whose activities are to include the Memphis territory of western Tennessee, northern Mississippi, the extreme eastern part of Arkansas, southwestern Kentucky and southeastern Missouri."

COTTON INDUSTRIES A Boston dispatch to-day says: "'The return of New England manufacturing resources to a parity with those of the South requires a means of compensating for the existing differences in wage levels and the elimination of legislative inequalities,' it was reported yesterday by the committee of the Boston Chamber of Commerce which has completed a survey of the cotton industry in New England. 'Only under these conditions,' the report continues, 'can a sound basis for constructive competition between New England and the South, in which success is rightfully measured in terms of administrative ability, be attained. The accomplishment of the first requirement has been effected by an increasing number of mills, whose higher labor costs have been justified by the superior efficiency of operators, resulting in a superior quality of output, which commands a superior price. Quality here refers to elements of style, artistry and service as well as fineness of weave....' The report contradicts the usual assertion that the South has a great advantage in the proximity of its mills to the source of supply. The finding of the committee was that transportation costs were less on Texas cotton manufactured in New England and sold in New York than on North Carolina cotton manufactured in that State and shipped to the New York market...."

WOOL MARKET The Commercial Bulletin to-day says: "A lull has come in the wool market. Prices, nevertheless, are steady. The manufacturers, especially on worsteds, are very busy and the goods market is reported healthy. Mills are running very close on stocks of raw material. Foreign markets are a bit easier, on the whole....Shearing of fall wool is nearing completion in Texas, but no sales are reported."

POTATO RECORD An Associated Press dispatch from Bloomsburg, Pa., to-day says: "An acre of potatoes belonging to Ray Briggs, Nescopeck township, yesterday yielded 688 bushels, a new world's record, according to Pennsylvania State College extension specialists, who witnessed digging of the crop. Briggs also held the former mark of 637½ bushels to the acre, made in 1924. He is 24 years old and has led the State in potato yields for three years."

Section 2

Business Cycle Control

Gilbert H. Montague, in a recent address before the National Industrial Council, said: "Six years ago, 'business cycles' were deemed to be humanly uncontrollable, and almost as inevitable as the tides. To-day, business men to an unprecedented degree are themselves prolonging our national prosperity, by self imposed cautions and other controls....To avert extravagance, inflation, inefficiency and all the other wastes that come with business booms, and to avoid unemployment, cancellation of orders, contraction of credit and all the other ills that come with business slumps, is a humanitarian achievement of the highest order....The most effective control is the collection and dissemination of trade information, by which manufacturers and distributors individually may be enabled to conform their production and distribution to the known facts of total consumption, total output, total orders and total stocks on hand throughout the country."

Canadian Immigration

An Ottawa dispatch to the press of October 29 says: "Immigration to Canada of farm settlers from the United States for September was particularly active, according to reports received from the agencies of the Department of Immigration and Colonization. Last month the agency at Fargo, N.D., headed the list of the eighteen agencies of the department in the United States, with a total of 675 persons sent to Canada, an increase of 300 over September, 1925. These 675 settlers brought with them cash and effects valued at $726,095. Only two were not of the farming class. The agent at Syracuse, N.Y., reports that more settlers have been sent to Canada through his office since April 1 this year than in any year since 1915."

Cotton Reports and Crops

An editorial in The New York Times of October 29 says: "Monday's estimate of the cotton crop by the Department of Agriculture will probably long be remembered among the curious traditions of agriculture. The growing crop has this year eluded the estimators in a very unusual way. That the early forecasts of the trade and the department should have been 2,000,000 bales or more below the 17,454,000 now estimated is not of itself an unprecedented experience. Estimates based on probabilities two or three months before the harvest are necessarily imperfect, and always allow for possible subsequent weather developments. The midsummer estimates this year were not much further astray from actual results than were those of last year. But this year the department was instructed to prepare such forecasts, not only on the usual basis of subsequent average weather probabilities, but on the supposition of weather influences as favorable as in the best of recent crop years. On that supposition, the department in September calculated that ideal conditions might produce a cotton crop of about 16,400,000 bales. But it now has to add a million bales even to that hypothetical estimate. The explanation is not blundering by the Crop Reporting Board, for the private estimates of two months or so ago were even lower than the Government's. But allowance was made by every one for the fact that the crop had started three weeks late, and that it therefore had proportionately smaller chances of escaping not only unseasonable weather and insect pests, but the frost which usually overtakes a part of a belated growth. What happened, however, was that an autumn season of so exceptionally favorable a character ensued that the lost ground was made up before the frost, and that fields which planters had reported as promising little cotton have produced

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an unusually abundant yield....Meantime, the great crop will undoubtedly find the largest market in the trade's history, for every sound authority in the cotton trade recognizes that the cotton-consuming world, after the series of short harvests from 1920 to 1924, is in need of textile goods, is able to buy and, at the inviting prices to which cotton has gone, is likely to buy in wholly unexampled quantities."

Cotton Surplus

An editorial in The Wall Street Journal for October 29 says: "A total of 17,454,000 bales of lint cotton makes up the indicated crop as of October 18. As the increase in two weeks was about 800,000 bales and there is still considerable green cotton the crop may be still larger. The present estimate is about 3,000,000 bales more than world consumption and there is a carryover of more than 5,000,000 bales. It is pertinently asked whether the great crop is an asset or a liability. This is more easily asked than answered. There are some who claim that there never is a surplus of such staples as corn, wheat or cotton because eventually the crops are consumed. Therefore, a large crop of a consumable product adds to the country's wealth. This school of thought would call the crop a most valuable asset. There is another school, however, which would disagree with this. They would say that whenever a crop is so large as to force the price below the cost of production there is an undesirable surplus. That the present price is considerably below what it has cost to raise the cotton crop admits of no argument. Furthermore, the total returns to the producers will be smaller than the crop of last year. At the prevailing prices the present crop of lint has a farm value below $950,000,000 against $1,500,000,000 last year. Goods abundant and cheap in relation to income are essential for the prosperity of a country, but their production should not impoverish the producers. Here is a supply of one of the most fundamental raw materials so large as to burden the market like Atlas with the world on his shoulders. From the viewpoint of the manufacturer and the consumer of that raw material this is favorable. But it must be remembered that Atlas is a member of the economic body. The surplus must be handled in such a way as to benefit all if it is to be looked upon as an addition to the national wealth. This is a difficult matter, but not impossible. Valorization schemes like those of coffee and sugar have not been all that their promoters desired. When the war was over the British Empire was confronted with a supply of wool that threatened to bankrupt the producers of Australia. A nonspeculative scheme for preventing the whole weight of the surplus from being thrown on the shoulders of that Atlas was worked out and, what is more, succeeded. There is no minimizing the danger of carrying a large part of a crop into the next year. Neither can it be safely done unless there is such a control of production as to insure against adding still more to the unconsumed surplus in the following year. Just how this will be managed is not yet clear. Left to himself the will to plant all he can and let the other fellow reduce is still strong in the individual grower. A careful handling of the situation should make this crop sell ultimately at a fair price. If it does, the producer would be compensated and the consumer assured of a plentiful supply at a figure which would still leave a profit."

French Prices Wholesale prices in France, according to official figures compiled by the French Government Statistical Office and transmitted to the Bankers Trust Company of New York by its French information service, had shown a decrease of 69 points in the months of August but increased again in September by 19 points, the index figure in September being 804 as against 785 in August. This general index figure, which is calculated for forty-five articles on the basis of 100 in 1914, had increase by 38 points in May, 52 points in June and 100 points in July. The index number for wholesale prices in September 1925 was 567. The rise of prices in September specially affects food stuffs, the general increase showing 34 points while the increase on vegetable foods was 56 points, on animal foods 10 points and 42 points on sugar, coffee and cocoa.

Russian Potash Deposits A Moscow dispatch to the New York Times of October 28 says: "The enormous deposits of potash recently located in the eastern section of European Russia, along the River Kama, one of the tributaries of the Volga, near the township of Solicamsk, are described by Professor Preobrajenski in a report published October 27 in the Pravda on the prospecting work conducted by him in the past year at an expense of $250,000. The potash deposits were proved at a depth of ninety-two meters over an area of forty square kilometers. Fully half is of first-class commercial quality, ranging between the German Stassfurt potash and that of Upper Alsace. The extent is estimated greater than the latter, which the German experts valued during the peace conference at $12,000,000,000...."

Wheat Marketing An editorial in The Indiana Farmer's Guide for October 30 says: "With 19,000 members and 3,673,000 bushels of wheat of this season's growing, in the pool, the Central States Soft Wheat Growers' Association, formerly known as the Indiana Wheat Growers' Association, is in a position to be an important factor in the wheat market this season. Particularly will this be true if the 2,500,000 bushels of wheat under contract in Missouri are added to the Indiana pool as now seems probable. Of the 1926 deliveries, 663,262 bushels have been sold, more than half of this being low grade wheat, which without the pool, probably would not have had a sale, as the association has control of dryers that make it possible to salvage much damaged grain that otherwise would be ruined. The association is receiving some complaints about grading, which is to be expected, with weather conditions as abnormal as they have been this season. Also there will likely be more or less dissatisfaction on the part of some members over prices, as the opinion prevails that wheat prices are going to high levels. If this trend of the market does not follow and there is likelihood that it may not, and the pool does not get for members as much for their wheat as they think they should have had, there is sure to be complaining. On the whole we believe that the pool is rendering a distinct service to the wheat growers of the Central West and were it given the united and whole hearted cooperation of all of its members that it deserves it could be of still greater service. As an example of what might be done in this respect, consider the wheat pool of Canada. This pool now has a membership of 131,458 actual farmers in the three central provinces, controlling nearly 15,000,000 acres sown to wheat, or 75 per cent of the total wheat

acreage of Canada. It owns 638 line elevators with an approximate total capacity of 20,000,000 bushels with six terminal elevators with a combined capacity of equal amount It sells through a central selling agency with agents in 51 ports of the world. It is the largest farmers' cooperative agency in the world. And it was organized only three years ago!"

Section 3

MARKET QUOTATIONS

Farm Products Oct. 29: Chicago hog prices closed at $13.55 for the top, bulk of sales $11.85 to $13.40; heifers were mostly 25¢ lower, cows 30¢ to $1.25. Vealers held about steady and heavy calves declined 25¢. Stocker and feeder steers were steady to 25¢ lower. Fat ewes and feeding lambs were about steady, while fat lambs and yearling wethers declined 25¢ to 65¢.

New York sacked Round White potatoes $3.75 to $3.10 per 100 pounds in eastern cities; $2.75 f.o.b. Rochester. New York Rhode Island Greenings $2.75 to $3 per barrel in New York City. Baldwins $2.60 to $2.75 f.o.b. Rochester. New York Danish type cabbage fairly steady at $20 to $25 bulk per ton; $13 to $14 f.o.b. Rochester. New York yellow varieties of onions $1.90 to $2.15 per 100 pounds in eastern consuming centers; $1.50 to $1.65 f.o.b. Rochester.

Closing prices on 92 score butter: New York 47 1/2¢; Chicago 47¢; Philadelphia 48 1/2¢; Boston 47¢.

Grain prices quoted October 29: No.1 dark northern Minneapolis $1.44 to $1.51. No.2 red winter St.Louis $1.42. No.2 yellow corn Chicago 77¢. No.3 yellow corn Chicago 75¢; St.Louis 74¢; No.3 white oats Chicago 44¢; St.Louis 44¢.

Average price of Middling spot cotton in 10 designated spot markets advanced 12 points, closing at 12.08¢ per lb. December future contracts on the New York Cotton Exchange advanced 12 points, closing at 12.40¢, and on the New Orleans Cotton Exchange they advanced 12 points, closing at 12.49¢. (Prepared by Bu. of Agr. Econ.)

Industrials and Railroads	Average closing price	Oct. 29,	Oct. 28,	Oct.29,1925
	20 Industrials	150.76	151.45	154.88
	20 R.R. stocks	117.83	118.15	104.14

(Wall St. Jour., Oct. 30.)

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DAILY DIGEST

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Vol. XXIII, No. 27 Section 1 November 1, 1926.

SOUTH MOBILIZES COTTON AID

An Associated Press dispatch to-day from Memphis says: "Brains and money of the South, summoned by a threat of economic disaster, are mobilizing forces of relief from Texas to North Carolina in an organized drive to meet the emergency in cotton prices and restore stability to the bale-burdened market. Energetic determination has displaced cries of loud distress and businesslike calm has succeeded the panicky fear of early October as machinery for financing retirement of the current surplus was being devised in every State of the American cotton belt. Success for the South-wide campaign for guaranteed reduction of cotton acreages next year was predicted at Memphis last night as agricultural experts viewed the progress of the canvass for a complete census of the industry, whose purpose is to pledge every farmer to curtail planting. ...

"Experts see in the finance corporations now in process of formation in cotton States the most potent factor in the more hopeful attitude. Stimulated by the visit of Eugene Meyer, chairman of President Coolidge's commission for relief, and A. C. Williams, chairman of the Federal Farm Loan Board and Mr. Meyer's associate in the southern survey, bankers and marketing executives have undertaken to form these companies in order to make loans available to the growers. Already these corporations are being organized in North Carolina, South Carolina, Georgia, Alabama, Louisiana, Texas, Oklahoma, Tennessee and Mississippi with a proposed combined capitalization of $16,000,000. This makes possible a loaning fund of $160,000,000 under the authority of the intermediate credit banks to lend to such companies at ten to one on their own resources. The plan of the corporations is to lend growers 9 cents a pound on their cotton, taking warehouse receipts for storage as security. The loans are to run for eighteen to twenty months. Leaders in the movement propose by this means to withdraw from the market approximately 4,000,000 bales of the present crop. This relief, they believe, will restore prices to a level where they will pay at least the cost of production. ...."

COTTON FUTURE TRADING

Walker Parker, New Orleans, telegraphed to Daily Digest, October 30, as follows: "The Atlanta grand jury in its report just made says: 'We urge the Georgia Legislature at its next session to make such changes in the laws of the State as will permit and make legal bona fide trading in future contracts for cotton and other commodities but which will at the same time maintain the present stringent laws in regard to the so-called bucket shop. The business interests of this country and of this State are suffering because of the fact that the law does not make clear distinction between legitimate business and gambling. These interests will continue to suffer until proper business transactions and punishing those transactions which are carried on for gambling purposes.' This report followed the conviction several days ago of B. L. Layton, a cotton future broker representing a New York Stock Exchange and New York and New Orleans Cotton Exchange house, for violating the Georgia law which the court held prohibits both legitimate future trading on the cotton and grain exchanges as well as bucket shop gambling. It was generally admitted that Mr. Layton had acted in good faith and under advice of competent counsel in maintaining an office in Georgia."

Section 2

Cooperation

An editorial in The Nebraska Farmer for October 30 says: "We have an inquiry from a Box Butte County subscriber regarding joining a pool of Nebraska wheat growers, the agents for which are active in that locality at the present time. Our answer was as follows: 'In principle we approve pooling as a feature of cooperative marketing. The theory of it is to place the control of commodity distribution in the hands of producers. The principle is not new, and in many instances it has worked successfully. For instance, the Canadian wheat growers have made a most remarkable success of their pool. The success of pooling depends primarily upon two things: First, that a sufficient quantity of the product should be under contract to enable a fairly even disposition of the crop throughout the marketing period. Second, the selling should be through agencies that are well managed and are adequate to take advantage of the most potential markets. The Canadian growers succeeded in getting 70 per cent of the growers in that region under contract. This enabled them to control distribution and, consequently, greatly to influence the selling price. According to our information, there have been no similar successes among wheat growers in this country, unless, perhaps, it would be in Indiana. Pooling in Nebraska has not made very great progress, a relatively small percent of the crop having thus far been placed under contract. Kansas, Oklahoma, Colorado, and some other wheat States have pools and are making modest progress. The Nebraska wheat growers now have joined with these three States to take advantage of the same sales agency. ...Wheat pools in this country will not be as promptly successful as the pool was in Canada, or as the pools of other products have been in some other regions, for the reason that wheat growing covers such a very large territory and the activities of the growers are so diversified. However, we anticipate that the movement will be ultimately successful dependent upon a large percentage of growers entering into it and the complete cooperation of marketing associations in the several wheat growing States. ..."

Dairy Consumption Development

An editorial in The North-West Farmer (Winnipeg) for October 20 says: "A fortune awaits the man who can invent a drink in which sweet whole milk is the principal ingredient, a drink that can compete in price, appearance and palatability with the drinks now in such popular demand at soda fountains. No one can estimate the increased consumption of dairy products that resulted from the invention of the ice cream cone. A similar increase in consumption should result if other means of using it could be devised. We need wider demand for our dairy products. The consumption of butter and cheese must nearly have reached the maximum in this country and there is steadily increasing competition in foreign markets. Soon, unless other uses are developed for milk, the production of milk for butter making may prove unprofitable. ..."

Egyptian Cotton Plans

An editorial in The Journal of Commerce for October 30 says: "It is reported that the Egyptian Government has decided to issue a decree limiting the area under cotton to one-third the cultivable land, with restrictions applicable for a three-year period. This is a method that will at least be less costly than the plan of direct purchasing of cotton by the Egyptian Government. A correspondent reports that for five successive years, including the current season, the Government has entered the market to support prices. The latest venture has been the most ambitious and the most expensive, while the chances of remunerative

resale of current purchases of Sakel are very slim. So it has been necessary to devise some new scheme of price stabilization, since the present buying policy has only resulted in leaving the Government in possesion of a good deal of expensive cotton which it cannot sell without great loss and cannot hold except at additional costs in storage and insurance. Attention of the advocates of the Government schemes for 'stabilizing' prices of farm products in this country should be called to Egypt's dilemma. The experiment has been on a small scale, judged by our standards, but it suffices to show those willing to be taught what the dangers are."

French Wheat Crop

While France's wheat crop in 1925 had been a record one since the war, the official figures for the present year which have just been published by the French Ministry of Agriculture and transmitted to the Bankers Trust Company of New York by its French information service, show a deficit in the wheat crop of 22,245,090 metric quintals when compared with 1925 and of 8,865,400 metric quintals when compared with 1924. Due to this shortage, no export of French wheat is permitted except a small amount specially selected for seed purposes (40,000 quintals in 1925, but cut down to 6,000 metric quintals for 1926).

Prices

An editorial in The Pennsylvania Farmer for October 23 says: "Much has been accomplished by farmers during the past two years in the way of lowering costs of production, improving quality by better grading, and cooperating in marketing. In spite of all this progress, returns to farmers have not increased proportionately. Why? The chief reason is the ever widening gap between that which the farmer receives and that which the consumer pays for the products. This year, prices paid to farmers were lower on the average than they have been for a long time, yet consumers have been paying as much or more than they did formerly. The cost of getting food from the terminal markets to the table is too much, yet nothing is being done by consumers to lessen that cost. ... A part of the high prices is due to the multiplicity of small storekeepers. The man who has but a few square feet of store space, and can keep but a small stock, naturally must have big profits to pay expenses and live. The matter of small farm prices and high retail prices is due to the inefficient, costly methods of the distribution in the cities. There is need of some real leadership there if this problem is to be solved. But it is not fair to take it off farmers when these costs go up in the cities. City papers could, if they would, do much towards creating public opinion in favor of better city distribution. ..."

Waterways

An editorial in The Journal of Commerce for October 30 says: "For the second time within a year army engineers have rendered an adverse decision in the matter of constructing an 'all-American' waterway across New York State to connect the Atlantic Ocean with the Great Lakes. Certainly there does not seem to be any further room for doubt what the War Department thinks about this project which, of course, has never had any ground to support it. The thing they say is not economically sound or feasible whatever may be the engineering possibilities. Will the rank and file of the people, to say nothing of the politicians, now begin to learn something about waterways? ...The trouble with us when we begin to consider matters that have to do with waterways is that we insist upon thinking of them as means of granting more or less surreptitious subsidies to agriculturists. Farmers and not a few of their so-called friends

have long ago conceived the idea that by finding means of floating their produce to Europe much better prices may be secured. Often there is just enough truth -- or shall we say plausibility -- in such arguments to make them attractive to the unthinking in the community. The truth is that in few of the proposed instances is there much likelihood that any such results can be obtained, provided the projects in question are forced to operate on a self-supporting basis. ..."

Section 3
MARKET QUOTATIONS

Farm Products

For the week ended Oct. 30: Livestock Quotations: The hog market at Chicago was fairly active with a top price of $13.35. Receipts of steers at Chicago this week were the largest since 1920. Better grades of beef steers 25 to 50¢ lower, lower grades 25¢ lower. Heifers are about steady while cows are 50¢ lower than a week ago. Vealers, heavy calves and stockers and feeders are about steady. Fat lambs are mostly 50¢ lower yearling wethers 25 to 50¢ off, fat ewes steady and feeding lambs strong to 15¢ higher than last week's closing prices. New York wholesale quotations on western dressed, good grade meats are steady to 50¢ lower on steer beef, steady to $1 lower on veal, $1 higher on lamb, 50¢ up on mutton, $1 to $3 lower on light pork loins and $1 higher on heavy loins.

Eastern potatoes ranged 5¢-35¢ higher; northern stock unsettled with a slightly weaker undertone. Apple markets dull; very little change in prices. Onions firm. New York yellows $1.90-$2.15 sacked per 100 pounds in eastern cities. Virginia yellow sweet potatoes steady to firm per barrel in eastern markets. Tennessee Nancy Halls $1-$1.15 per bushel basket in Chicago.

Butter markets during the week were fairly firm and some price advances were effective. Trading in storage butter showed some improvement. Production conditions are reported favorable for the season but receipts at the markets have been showing considerable decrease. Cheese markets held to a steady course with prices on the cheese boards of Oct. 22, at Plymouth, Wis., showing no change. Trade was slow at primary and terminal points but prices were well supported.

Average price of Middling spot cotton in 10 designated spot markets advanced 27 points during the week, closing at 12.25¢ per lb. December future contracts on the New York Cotton Exchange advanced 25 points, closing at 12.58¢ and on the New Orleans Cotton Exchange they advanced 28 points, closing at 12.67¢.

Hay market averaging steady. Railroads limiting shipping permits at New York and good hay wanted at this market. Shipping inquiry from South again dull but moderate offerings of good hay moving freely. Timothy and prairie firm. Alfalfa steady. Feed market irregular, mostly higher. Demand more active with colder weather and the approach of winter. Wheatfeeds showing an upward tendency with the heavier feeds firmer than bran. Linseed meal barely steady in the East but firm in Central West with a small advance. Cottonseed meal ruling firm. Gluten feed prices reduced. Alfalfa meal generally quiet.

Industrials and Railroads

Average closing price	Oct. 30,	Oct. 29,	Oct. 30, 1925
20 Industrials	150.38	150.76	155.65
20 R.R. stocks	117.57	117.83	104.79

(Wall St. Jour., Nov. 1.)

XXX

DAILY DIGEST

Prepared in the United States Department of Agriculture for the purpose of presenting all shades of opinion as reflected in the press on matters affecting agriculture, particularly in its economic aspects. Responsibility, approval or disapproval, for views and opinions quoted is expressly disclaimed. The intent is to reflect accurately the news of importance.

Vol. XXIII, No. 28 Section 1 November 2, 1926

MEYER ON COTTON PROBLEM The Baltimore Sun to-day reports: "The South has solved its cotton problem and is now in a position to carry over its surplus without serious losses to the growers. That is the conviction of Eugene Meyer, chairman of the President's committee appointed to aid the cotton States in working out a solution of the problem that threatened serious consequences for the Southern section of the country. Returning to Washington from a trip through the South, Mr. Meyer reported yesterday that local associations, with a combined capital of $16,000,000, had been organized in all the cotton-growing States and that within a short time this capital will have been subscribed. Under the law, he pointed out, the Intermediate Credit Banks can loan up to $10 for each $1 of the capital subscribed by these associations or in the present case up to $160,000,000. This, in the opinion of southern business men, will suffice to finance the hold-over movement so that growers may realize a better price on their present sales and also a better price on the present surplus when it is sold in future.

"The cotton growers, bankers and other business men appealed to the Federal Government for assistance in the emergency, hoping that the Government would finance the growers and bear the responsibility. Under the system worked out by the President's commission, however, the local associations will hold the farmers' paper and will stand responsible should the plan fail to work out as it is intended. Thus, if the plan works, all is well, but if for any unforeseen reason it fails, the South will again face a serious situation. Mr. Meyer, however, is confident regarding the outcome. He said the plan was well received in all the States and that, if it should become necessary, more capital would be readily subscribed."

TENNESSEE COTTON PLAN A Memphis dispatch to the press to-day says: "The Central Agricultural Finance Corporation, with a proposed capitalization of $2,750,000, was organized at Memphis yesterday as a step in the plan to retire the surplus bales of this year's cotton crop. Bankers representing five States in the Memphis territory elected L. K. Salsbury, Memphis cotton grower and banker, to head the company, which is designed to provide a huge pool for lending to cotton growers in an effort to store 600,000 bales for a period of 18 to 20 months. Under the plan sponsored by Eugene Meyer, chairman of the Federal cotton commission, the stock of the corporation will be used as a basis of borrowing at 10 to 1 from the intermediate credit banks of the Federal farm loan board. Execution of the plan will make available $27,500,000 for the retirement pool. Cotton owners who store their bales will be loaned 9 cents a pound on their products, giving warehouse receipts for security."

WEST VIRGINIA APPLES A Martinsburg, W. Va., dispatch to-day states that unable to sell Berkeley County's million-barrel apple crop, even at prices generally admitted to be profitless, fruit growers have started to give their product away. Berkeley County apples this year have averaged $2.50 per barrel of 400 apples at the loading stations.

Section

Bankers and Cotton Loans

A telegram from Fenner and Beane, New Orleans, Nov. 1 says: "A leading banker of Decatur, Georgia, writes us as follows: 'The banks are doing all they can to persuade the farmers to reduce their acreage and are letting it be known that they do not favor loans to farmers where they depend upon cotton alone. In fact our banks are suggesting that no farmer plant more than six or eight acres to the plow.'"

British Cotton Buying

An editorial in The Florida Times-Union for October 30 says: "'Manchester, which is the financial center of the English cotton trade, claims to be America's best customer for raw cotton,' says Herbert N. Casson, very well-informed and reliable London correspondent of the Philadelphia Public Ledger, who, under recent date, writes with particular reference to the intense interest that Manchester cotton manufacturers are taking in the present condition of the American cotton industry, and especially in the price conditions. Mr. Casson says that 'All told, in the last seventy-five years, Manchester has paid the Southern States fully $10,000,000,000.' Consequently, the States of the South, and particularly those in which cotton growing is a chief industry, ought not to be indifferent to what Manchester cotton manufacturers have to say in the present instance of cotton prices and matters affecting same. For one thing, and like purchasers of commodities everywhere, Manchester cotton buyers prefer to pay a low price for their product. But that is not all. Mr. Casson says: 'There have always been wide variations in the price of cotton. Manchester has bought it for 90 cents a pound and for 8 cents. Naturally, Manchester prefers to pay a low price, but on the whole, it prefers stability to cheapness. This fact does not seem to be realized by the cotton growers of the South. Manchester does not like these sudden ups and downs. It would prefer a stabilized price, high enough to give the American growers a fair profit. Mr. Casson goes on to state that 'Sir Charles Macara, the aged leader of the English cotton trade, for years has tried to bring about cooperation between Manchester and the Southern States, so that speculation would be eliminated and a fair price maintained averse to speculators;' that 'Manchester does not mind paying the growers well, but it does object strongly to paying speculators.'.....There is something more that Mr. Casson says, in the dispatch from which quotation is being made. He says: 'Manchester, as a buyer of cotton, easily stands in first place among the cotton centers of the world. It is the best buyer that the Southern States has ever had, yet there has never been at any time any cooperation between Manchester and the South as to the growing of cotton or the price of it. The English cotton men expect that the South will adopt a scheme of restriction of output, similar to the British scheme of restricting the output of rubber. They would not object to this if it would not play into the hands of speculators. They do not want cotton growers to be forced into bankruptcy. They do not want 13-cent cotton. Any of the older members of the Manchester Cotton Exchange will agree that a fair price is better

than a low price in the long run. Unprofitable cotton means a cotton shortage in the near future. Manchester is very well aware of that. And a cotton shortage is what Manchester fears most of all. ....."

A London dispatch to the press of November 1 says: "Under the present avalanche of cotton, which is now admittedly being sold below cost of production, efforts to steady the market are proving abortive. It is still believed that the textile trade must eventually benefit greatly from such cheap cotton, but the decline has tended to drive buyers away. Expert opinion is, however, that as soon as steadiness appears, much of the buying power, which is undoubtedly piling up, will make its influence felt. ....."

Cotton Abandonment Proposal

A Memphis dispatch to the press of November 1 says:"....Another movement for removing part of the current crop surplus, started in Memphis, but purporting to have support throughout the South, proposes the abandonment of cotton fields on December 1, and the plowing under of the unpicked remnant. Some 150,000 acres have been pledged to this plan, which, in four days of activity, is already backed by a vigorous campaign. Plowing under will be worth more to the soil than the money value of the poor quality of cotton left in the fields at the end of November, proponents of this plan declare."

Cotton Conditions

An editorial in The Wall Street Journal for November 1 says: "Even the Egyptian Government has learned the futility of attempting to empty a barrel of water by means of a pipe in the bottom while another stream of same size flows into the top. It will now reduce the size of the upper pipe. In other words, it has learned from experience that the surplus of cotton can not be kept down by constant buying while producers are permitted to keep adding to the supply. It is turning its attention now to controlling the producing area. For several years the Government has been a buyer in the market to support prices. Naturally, this has been a futile experience. After four years of such effort world prices have dropped, and the question is so serious that, as the London Times says, 'it is occupying the attention of the Government to the exclusion of every other question, and politics has been relegated to the background.' That sounds curiously like our own situation.....This Egyptian lesson should help to convince those who advocate such measures that prices can not be permanently raised unless there is virtual monopoly control of production. The story of Erie serves as a good illustration. Commodore Vanderbilt wished to gain control and began buying shares, but as rapidly as he took them out of the market others appeared in their places. 'We will give him all he wants so long as our printing presses keep up,' said James Fisk. Now let Vanderbilt represent those who are trying to boost the cotton market. Bales take the place of Erie shares, and the planters stand in the position of Fisk and Gould. The market will be supplied so long as they can plant and produce. If through the cooperation of the Government with southern bankers 4,000,000 or more bales of cotton are taken from the market, as now seems likely, it surely would have the effect of raising the price. But that cotton must be consumed some time, and provision to that end must be made....."

French Tobacco Crop — Returns from sales of tobacco in France during the first three quarters of 1926, according to advices received by the BankersTrust Company of New York from its French information service, totaled 2,013,000,000 francs, showing an increase of 437 million francs over the corresponding period of the preceding year.

Home Survey — The Washington Post of November 1 reports that the General Federation of Women's Clubs, under the leadership of Mrs. John D. Sherman, president, will begin a survey of Washington homes in a few days to determine the percentage of the homes adequately equipped with modern conveniences, as well as with radio, piano, automobile, and other modern innovations that tend to break the humdrum of everyday existence.

Rubber Export Cut — A London dispatch to the press of October 31 says: "Because the average price of rubber per pound during the three months ended Oct. 31 was under 1 shilling 9 pence (about 42 cents), the Government, under the Stevenson plan, during the next three months will cut exports to 80 per cent of production. If the base price had been equaled or surpassed the rubber growers would have received licenses to export all of their rubber. The average price of rubber for the past three months was 1 shilling 8.1997 pence."

The Associated Press reports: "Commerce Department officials said October 30 that the cut in British rubber shipments had been generally anticipated in the American rubber trade. More important, however, is the question as to how much of the rubber is considered a 100 per cent standard production. ..."

Sugar Control — A London dispatch to the press of October 31 says: "As the result of a glut in the sugar market a move is under way here for control of the world's sugar supply in the same way that rubber and coffee are now controlled. It is expected that a world conference of sugar producers will be called soon to doscuss the stabilization of the price of sugar at a level fair to both grower and consumer."

Section 3

Department of Agriculture — An editorial in The Washington Post for November 1 says: "Discussing the condition of the southern farmer, Secretary Jardine struck at the root of the evil which has brought about existing conditions when he declared recently that 'there has been a steady drift to cotton at the sacrifice of diversified crops.' The price of cotton will never increase so long as the cotton farmer keeps on increasing his acreage and producing a surplus. In cotton, as in all other commodities, the price is controlled by the law of supply and demand, and where the supply is excessive the price is certain to fall. No legislative enactment can set aside this law. ...There are large areas in the South where fruits and vegetables could be successfully substituted for cotton, whereas under existing conditions these products are left entirely to other sections which are getting rich from them. Secretary Jardine makes an excellent suggestion to the farmers of the South when he advises them to diversify their crops. With regard to cotton he holds that the true policy is fewer acres of cotton and more cotton to the acre. Southern farming, he holds, can be made safe and profitable by a program of sound production, coupled with adequate marketing practices. These necessarily go together, but the more important at the outset is adoption of a program of 'sound production.'"

Section 4
MARKET QUOTATIONS

Farm Products

Nov. 1: Livestock Quotations: Top price of hogs at Chicago today at $13.50 and bulk of sales at $11.75 to $13.25.

New York sacked Round White potatoes $2.65-$3 per 100 pounds in eastern cities; $2.65 f.o.b. Rochester. Wisconsin Round Whites $2.30-$2.40 carlot sales in Chicago; few $2.15-$2.25 f.o.b. Waupaca. New York yellow onions $1.65-$2 sacked per 100 pounds in the East; $1.50-$1.75 f.o.b. Rochester. Midwestern stock $1.75-$2 in consuming centers; $1.35-$1.65 f.o.b. New York Danish type cabbage $20-$23 bulk per ton in Eastern cities; $13-$14 f.o.b. Rochester. New York Rhode Island Greening apples $3-$3.25 per barrel in New York City; $2.75 f.o.b. Rochester. Illinois and Michigan Jonathans $4-$4.50 in Chicago.

Closing prices on 92 score butter: New York 48¢; Chicago 47¢; Philadelphia 49¢; Boston 47¢.

Closing prices at Wisconsin primary cheese markets: Single Daisies 23¾¢; Double Daisies 23½¢; Longhorns 24¢; Square Prints 25½¢.

Average price of Middling spot cotton in 9 designated markets declined 6 points, closing at 12.19¢ per lb. December future contracts on the New York Cotton Exchange declined 1 point, closing at 12.57¢. (Holiday in New Orleans).

Grain prices quoted: No. 1 dark northern Minneapolis $1.42-$1.48. No. 2 red winter St. Louis $1.40. No. 3 yellow corn St. Louis 71¢; Minneapolis 72¢. No. 3 white oats St. Louis 43¢; Minneapolis 41¢.

Hay prices quoted: No. 1 timothy Chicago $22.50; Cincinnati $20; St. Louis $23.50. No. 1 alfalfa Kansas City $20; Omaha $18.50. No. 1 prairie Kansas City $15.50; Chicago $21; St. Louis $19.50; Minneapolis $19.50. Feed prices: Gluten feed at Chicago $27.75; yellow hominy feed $28.50; 43 percent cottonseed meal Memphis $25. Kansas City hard winter wheat bran $21; hard winter brown shorts $26; alfalfa meal $23. Minneapolis spring bran $22; standard middlings $23; 34 percent linseed meal $44.50

Industrials and Railroads

Average closing price	Nov. 1,	Oct. 30,	Oct. 31, 1925.
20 Industrials	150.51	150.38	156.32
20 R.R. stocks	117.88	117.57	105.02

(Wall St. Jour., Nov. 2.)

DAILY DIGEST

Prepared in the United States Department of Agriculture for the purpose of presenting all shades of opinion as reflected in the press on matters affecting agriculture, particularly in its economic aspects. Responsibility, approval or disapproval, for views and opinions quoted is expressly disclaimed. The intent is to reflect accurately the news of importance.

Vol. XXIII, No. 29 Section 1 November 3, 1926.

WHEAT MARKET A Chicago dispatch to-day says: "All grain exchanges in the United States were closed yesterday owing to general elections. Winnipeg and Liverpool were the only open markets and showed firmness, with the close around the best prices of the day."

WHEAT AND RAILROAD RATES Railroad freight rates contribute in no way to fluctuations in wheat prices, the causes of which should be sought elsewhere, according to a statistical study of commodity prices in their relation to transportation costs issued by the Bureau of Railways yesterday. The bulletin covers primarily the wheat crop year of 1925-26, with comparative prices for the two preceding years. Summarization of the study indicates that the wide ranges in farm prices were in marked contrast to stability in freight rates. It is shown that the spread in farm prides each season was greater in nearly all cases than the total freight rate to market, and in three seasons was several times the total freight rate. The investigation proved that higher prices were sometimes paid for the same kind and grade of wheat involving longer hauls and greater freight rates than were paid at points involving shorter hauls and lesser rates. Prices were frequently different for the same kind of wheat at different points in the same general territory, with the same freight rate to market.

EGG BREAKAGE REDUCED In 1920, losses incurred by breakage of eggs in transit were estimated to be slightly in excess of $5,000,000. In its report, just issued, covering the first quarter of 1926, the Freight Claim Division of the American Railway Association states that "there have been received at New York 698 cars of eggs from south and north Pacific Coast points, containing a total of 362,323 cases of thirty dozen eggs each, all of which were delivered to consignees without breakage. These eggs were packed in standard California cases using cup flats and cardboard fillers." Improvements in packing and shipping methods during the past few years have been instrumental in reducing the country's egg-breakage bill to the extent where trade estimates place the total loss for 1926 at a figure around $600,000, as compared with a total of almost ten times that amount in 1920. Probably the most important factor in this reduction of breakage has been the introduction of suspension methods of packing, which is now used for more than 75 per cent of all eggs shipped within the United States and for export.

FEDERAL EMPLOYEE DECREASE The roll of Federal employees in the District of Columbia is steadily decreasing, statistics for the month ended September 30, released by the Civil Service Commission yesterday, showing but 59,849 employed and a net decrease of 421 for the month.

Section 2

America's Resources

Richard H. Edmonds, editor of Manufacturers Record, is the author of a comprehensive article on "America's Limitless Resources," in The American Review of Reviews for November. He says in part: "Many years ago I wrote that the people of this country must learn to think in billions before they could possibly grasp our limitless potentialities, the vastness of our resources of raw materials of many kinds, the magnitude of what had been accomplished--small as these achievements are compared with what they will be in the future. To-day I may say that we must learn to think not in billions, but in tens of billions and in the not distant future in hundreds of billions....Let us forget for a moment Alaska, with its riches of gold and copper, and its fisheries. Let us forget our island possessions which may some day become strongholds in our power and in our domination of the world's commerce. Let us fix our thoughts mainly on the imperial region which stretches from Canada to the Gulf of Mexico, and on to Mexico, and from the Atlantic to the Pacific. Here is nature's storehouse of wealth, unmatched by any other equal area in all the world. Here is what may be called a national bank with deposits in the way of raw materials and other resources upon which we can draw indefinitely without exhausting the supply. In these vast supplies of raw materials and in other advantages we have a deposit of latent wealth far surpassing all the developed wealth of all the world. Here is a country of over 3,000,000 square miles capable of supporting 500,000,000 people. It is a region whose soil in large part 'needs but to be tickled with the plow to laugh with a harvest' of wheat, and corn and cotton and other products too numerous to catalogue; a region so burdened with coal and iron ore and copper and oil and oil shale and other minerals that in most of these things we shall not have to concern ourselves for generations to come about their exhaustion.... During the last five years our population has increased at the rate of about 2,000,000 a year. Allowing for some decrease in this rate of growth, the next thirty years will probably give us an increase of 50,000,000 or more people. With a population of 117,000,000 at present, to which will be added the 50,000,000 of the next thirty years, we would then have 167,000,000 or more. The percentage of growth in business is much more rapid than the percentage of increase in population. We must, therefore, prepare during the next thirty years not merely for handling the business and traffic of 167,000,000 people, measured by per capita production and consumption of to-day, but by a very much higher per capita production and consumption which will be seen thirty years hence."

Charleston As Fruit Port

A Charleston, S.C., dispatch to the press of November 2 says: "Charleston again took her place as one of the banana ports of the United States when the steamship San Bruno, of the United Fruit Company Line, docked at the Southern Railway pier with a cargo of 35,000 bunches of the fruit November 1. The San Bruno inaugurated a weekly service to this port, and a steamer is scheduled here from Central America every Monday, bringing banana cargoes for distribution in the Carolinas, Georgia, Florida, Virginia, Tennessee and Alabama. The resumption of the use of Charleston by the United Fruit Company for the importation and distribution of tropical fruit comes about eleven years after the service was discontinued."

Creamery Cooperation in Wisconsin

An editorial in The Dairy Record for October 27 says: "It is with a feeling of genuine regret that we note that Wisconsin creamerymen feel it necessary to combine with the Wisconsin Cheesemakers' Association in order to assure the continuance of some form of creamery organization. We believe that the creamery industry of Wisconsin is big enough to warrant an organization of its own and we are by no means convinced that there is any inherent reason why such an organization could not be successful. But, since things are as they are, the move may be a step in the right direction. Certainly, the Wisdonsin Buttermakers' Association can not continue to go on as it has for the past five years, and hope to accomplish the great tasks lying before the creamery industry of that State. At least a new start can be made, and, backed by the united efforts of Wisconsin buttermakers, the united organization of buttermakers and cheesemakers can perform some of the tasks still left to be accomplished."

Cotton Consumption

A New Orleans dispatch to the press of November 1 says: "Aside from the moral effect of the movement to avert sacrifice sales of cotton--supplemented, as they will be, by insistence on a radical reduction in the acreage--cotton prices have been sustained by an increased demand both from spinners and from outsiders who consider cotton a 'good investment' at the current low prices. A stiffening in the spot basis has been reported from practically all the southern markets; but in spite of this, there has been an increased demand as evidenced by the large daily sales reported from the principal centers....."

Dairy Cooperative Meeting

National Cooperative Milk Producers Association states to-day that over 700 delegates representing 300,000 dairy farmers belonging to dairy cooperative marketing associations in over 30 States are expected to meet at Cleveland, Ohio, November 10 and 11 to celebrate the tenth anniversary of the founding of the National Cooperative Milk Producers' Federation. These 35 organizations sell approximately one half billion dollars worth of milk and its products and their leaders have arranged a program devoted almost exclusively to the discussion of the business problems which such cooperatives must face in their everyday operations. The only outside speakers will be The Honorable Renick W. Dunlap of Washington, D.C., Assistant Secretary, U.S. Department of Agriculture; Lloyd S. Tenny of Washington, D.C., acting chief, Bureau of Agricultural Economics, U.S. Department of Agriculture; Prof. J.T. Horner, head of the Department of Rural Economics, Michigan State College, East Lansing, Mich., and John D. Marshall, Mayor of Cleveland. At the opening session Judge John D. Miller of Susquehanna, Penna., president of the national federation, will discuss national issues in which the member organizations are concerned and will make recommendations as to future policies. The remainder of the program will consist of concise reports on achievements and pressing problems of the member organizations.

Kerr on American Economics

Philip Kerr is the author of an article on "Can We Learn from America" in The Nation (London) for October 16. In this he says:".... So far as I can judge, the economic life of the United States is based upon the universal acceptance of three broad commonplaces. The first of these commonplaces, accepted equally by capital and labor, is that the progressive rise in the standard of living for all classes of the community, which everybody demands, and which is being broadly realized

in practice, can only be obtained through the continuous adoption of every new scientific discovery, every new invention, every labor-saving device, just as fast as its practical use is proved. To the American mind it is axiomatic that the only way of giving the community a more varied and interesting life and of lessening drudgery and long hours of work for men and women, is the progressive substitution of the machine for human muscle. The second commonplace, accepted as axiomatic by the capitalist leaders of business, finance, and industry, is that they will only secure adequate markets at home, and will only be allowed to make the profits they seek if they pay the highest wages which are warranted by the skill of the individual workman, if they can avoid rate-cutting, and if they can give a steadily rising standard of living to the community either by cheapening the price or of improving the quality of their goods. There is no jealousy of paying high wages, provided they are really earned, because the wage bill is recognized to constitute the major part of the home market. On the contrary, the payment of wages which will enable the worker to buy up to the full value of his work is one of the definite ends of capitalist policy. The third commonplace, accepted as axiomatic by the overwhelming mass of labor, is that unless capital can earn good profits the employer will be unable to keep the latest machinery in the shops, and unless every individual worker works his best, prices will rise, markets will contract, wages will suffer, and unemployment will appear. There is, therefore, no jealousy on the part of labor of capital earning profits, as such, and there is willing cooperation with the employer in securing the most efficient work by every individual man or machine....What I mean is that high wages, good profits, and unrestricted efficiency on the part of both capital and labor, are in fact regarded as the natural and inescapable foundations of American prosperity, and that in consequence in the United States there is a complete absence of that sense of irreconcilable conflict between capital and labor which is so marked in Great Britain. I believe the United States, by basing its industrial life upon the three tripods I have mentioned, has solved the elementary problem which is still convulsing Europe, that of securing an ample and a continuously rising standard of living for all its citizens, though there will be temporary setbacks and local maladjustments from time to time....Contrast the position here. The commonplaces I have mentioned are not accepted at all....."

Meat Situation

A review of the meat and livestock situation during the month just closed, issued by the Institute of American Meat Packers, states in part: "October was a fair month in the wholesale meat trade. The volume of the pork trade was good, especially in the case of fresh pork. Wholesale beef prices showed a lower tendency toward the close of the month, as a result of liberal receipts and gradually declining prices of cattle. The fresh pork trade in this countty was marked by a narrowing in the difference between the prices of light and heavy loins. The lighter weights were in good demand. Butts and shoulders moved well. The export trade was relatively quiet. There was some improvement in the lard trade with the United Kingdom, but prices remained at comparatively low levels."

Rubber Prices

The press of November 2 says: "Restricted production of crude rubber in Malaya and Ceylon and American opposition to artificially maintained prices are moving rapidly to a show-down, according to the interpretation placed on the action of the British Colonial Office in reducing by 20 per cent the rubber export standard for those dependencies. The Department of Commerce has not yet received advices from abroad presenting the details of the latest change in the rubber restriction scheme. However, it was assumed that the aim of the altered standards was higher prices for the crude material, of which the United States is a potential consumer of about 50 per cent of world production. ...."

Section 3
MARKET QUOTATIONS

Farm Products

Nov. 2: Livestock quotations: Top price of hogs at Chicago $13.25, and bulk of sales $11.75 to $13.15. Beef steers choice $10 to $11.75, good $9.15 to $11.50, medium $7.40 to $9.65, common $6 to $7.65. Heifers, good and choice, $7.25 to $11.25, common and medium $5.50 to $8.50, cows $5.25 to $7.25, common and medium $4.25 to $5.25; low cutter and cutter $3.25 to $4.25. Vealers medium to choice $9.50 to $12.50, heavy calves $6 to $8.50. Stocker and feeder steers $5.50 to $8.35. Fat lambs $12.25 to $14.25, yearling wethers, medium to choice $9.75 to $12.75, fat ewes, common to choice $4.75 to $7, feeding lambs, medium to choice $12 to $14. New York wholesale quotations on western dressed, good grade meats: Steer beef $15 to $17, veal $19 to $22, lamb $24 to $25, mutton $12 to $14, light weight pork loins $28 to $31, heavy loins $25 to $28.

New York sacked Round white potatoes $2.85-$3 per 100 pounds in a few eastern cities; $2.55-$2.65 f.o.b. Rochester. Wisconsin Round Whites $2.50-$2.65 carlot sales in Chicago; few $2.22-$2.25 f.o.b. Waupaca. New York Danish type cabbage $22-$25 bulk per ton in eastern cities; $13-$15 f.o.b. Rochester. Va. yellow variety sweet potatoes $1.50-$2.75 per barrel in consuming centers. Tennessee stock 90¢-$1 per bushel hamper. New York yellow variety onions $1.65-$2.25 sacked per 100 pounds in the East; $1.65-$1.75 f.o.b. Rochester. Midwestern stock $1.50-$2.25 in consuming centers; $1.35-$1.65 f.o.b. Wausaw. Illinois and Michigan Jonathan apples $4-$4.50 per barrel in Chicago.

Average price of Middling spot cotton in 7 designated markets advanced 14 points, closing at 12.33¢ per lb. (Holiday in 4 markets) December future contracts on the New Orleans Cotton Exchange advanced 6 points, closing at 12.73¢. (Holiday at New York) (Prepared by Bu. of Agr. Econ.)

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DAILY DIGEST

Prepared in the United States Department of Agriculture for the purpose of presenting all shades of opinion as reflected in the press on matters affecting agriculture, particularly in its economic aspects. Responsibility, approval or disapproval, for views and opinions quoted is expressly disclaimed. The intent is to reflect accurately the news of importance.

Vol. XXIII, No. 30 Section 1 November 4, 1926.

BUSINESS AND COTTON PROBLEM

The Journal of Commerce to-day reports: "Declaring that there is every room for a feeling of optimism on the business outlook for the coming year in view of the soundness of the credit situation, the administrative committee of the National Association of Credit Men at its regular meeting at New York yesterday adopted a resolution expressing its attitude and reviewing the status of business. Discussing the cotton situation, the committee said that there is plenty of credit available if the cotton industry were properly organized--emergency relief will not solve problem, it declared. The resolution said: 'The credit situation of our country is entirely sound. We have through our large stock of gold unusually large credit facilities. The control of these facilities has been judicious and the reserves of our Federal Reserve banks have been the occasion of no apprehension whatsoever. We have been able so far to carry without strain the large volume of instalment credits, yet some recession in the deferred payment plan of selling is already noticeable. The decline in the prices of cotton, involving probably a loss of $400,000,000 of purchasing power is serious, but in the cotton growing region credit was in a snug position and this decline in purchasing power should occasion not the least fear of a disturbance.....'

"The committee also expressed itself on the cotton situation as follows: 'Credit is never available properly to unorganized enterprises or industries. There is plenty of credit available which could be utilized in the fullest way by the cotton raising industry if organized, without the need of emergency legislation or facilities. The present episode is a strong urge to place the cotton industry on an organized basis where its production and its marketing will be carried on systematically and by cooperative facilities. Giving merely emergency relief in the present strained situation will not correct the fundamental defects of the cotton industry. Getting the industry organized, using systematic and practical marketing facilities, improving the methods of raising cotton by getting more of the owners back to the soil should be the paramount endeavor resulting from the present debacle in price. There is not the least doubt in the opinion of this committee but what our present credit facilities and through the channels legally ordained for the relief and assistance of agriculture would be available for the cotton raising industry if it was properly organized.'"

COTTON MANUFACTURE EXPORTS

Cotton manufactures comprised more than three-fourths of the total textile exports of the United States during the first three-quarters of the present year, according to the Association of Cotton Textile Merchants of New York. On the basis of reports to the Department of Commerce, the association estimates that foreign customers have spent almost five times as much for American cotton during 1926 as for other American textile manufactures. For the nine months ended with September exports of cotton manufactures were valued at $101,966,245, or 81 per cent of the total value of all textile manufactures exported during the same period, which aggregated $124,645,146. (Press, Nov. 4.)

Section 2

Cotton Conditions

An editorial in The Baltimore Sun for November 3 says: "Eugene Meyer, head of the special committee appointed by the President to devise ways and means to tide the South over the crisis caused by its record-breaking cotton crop, has returned from a tour of that section confident that the worst is over. Mr. Meyer may be more optimistic than conditions justify, but it is highly creditable to southern bankers, business men and planters that he found them in a self-reliant mood. 'It was evident,' Mr. Meyer says, 'that the southern people had pride as well as public spirit in dealing with the situation, and that they wish to demonstrate that they can take care of their own problem.'...It gives, moreover, promise of success where Government guarantee, Government assumption of risk of loss, or other assurance that the Government would see the cotton grower through his troubles would inevitably break down the apparently successful effort under way to cut cotton acreage drastically the coming year. With the Government holding the bag, the South would continue to fill it with cotton regardless of price."

Cotton Relief

An editorial in The Journal of Commerce for October 3 says: "The efforts of those who have assumed the role of economic doctor for the Cotton Belt are directed toward two ends. First, they are determined to do all that they can to sustain and if possible to raise prices, and second, they are doing a good deal of talking about crop diversification and, accordingly, reduction in acreage devoted to cotton. All this is well enough, assuming that it can be accomplished by appropriate means. It should be borne carefully in mind at all times, however, that this double barrelled campaign will inevitably prove to be difficult. Indeed experience seems to teach that the two elements therein are more or less mutually antagonistic, not to say destructive....Dispassionate observers know, of course, that no form of credit aid, of any other sort of aid, will do very much for the producer so long as he regularly insists upon raising unduly large cotton crops. He also understands perfectly well that in the past almost every type of appeal, meritorious and otherwise, for crop diversification has failed whenever price conditions were such that the farmer was encouraged to plant large cotton acreages. Whatever may or may not be the case so far as the next few months are concerned, the fact remains that the economic fate of the southern cotton planter rests within his own hands....."

Farm Profits

Farm earnings may vary as much as $4,400 between different farms due entirely to differences in the organization and management of those farms, it is indicated by a summary of account books which hundreds of farmers in widely scattered areas of Illinois have kept during the last two years in cooperation with the farm organization and management department of the College of Agriculture at the University of Illinois. The summary covers 560 farms, on which books were kept in 1924 and 870 for 1925. The 560 farms in 1924 were located in twelve different areas of the State. A summary was issued for each of these areas, and in each of these summaries the farms were divided into three groups on the basis of the rate earned on the capital invested. In one area the difference in earnings between the average of the most profitable farms and the least profitable was $4,545 a farm, while in another area the difference in earnings between the average of the good and the poor farms was $4,436. The average difference of the twelve reports was $3,048.

Jewish Agriculture

Henry W. Nevinson, writing from Jaffa to the Baltimore Sun of November 1, says: "Nearly fifty years ago a small number of Jews in Jerusalem resolved to try the experiment of setting up a Jewish agricultural settlement in their ancestral country. They chose a site a few miles north of Jaffa--a few miles north of that rapidly developed town of Tel-Aviv, the suburb that has swallowed up Jaffa....And they called its name Petah Tikva, or 'The Dawn of Hope.' Both the hope and the enterprise were daring, for it is long ages since the Jews were agriculturists. 'Whoever saw a Jew with a spade in his hand?' Cobbett asked, and I only wish he could see the 24,000 young men and women Jews at work upon the lands of the Zionist 'colonies' now! But 'The Dawn of Hope' had nothing to do with Zionism except as bold anticipation.... It now has over 5,000 acres, and Sir Herbert Samuel in his excellent report on Palestine, published last year, put the population at 4,000. The inhabitants themselves tell me it is nearer 10,000 now."

Land Appraising

Iowa farm land appraisal is the subject of a symposium in The Journal of Land and Public Utility Economics for October. The writers discussing the subject are Henry A. Wallace, Griff Johnson, Albert G. Black and John D. Black. The article written jointly by the two latter authors says in part: "For the most part, loan agencies are content with present appraisal methods. From their points of view, current practices, at least until recently, have seemed quite satisfactory. During the post-war depression, however, some loan companies incurred heavy losses which should have been obviated with a better analysis of the structure of land values in the area and of probable or possible future land values. In the areas where few losses have been experienced, the loan companies have kept loans very low. Such a practice is tacit admission of undependable appraisements. Safety is gained at the expense of the borrowing farm owners. During the depression, farmers were not given the credit to which they were entitled on the basis of their security because lenders did not have appraisal systems which determined values permitting both safe and fair loans. Under such circumstances lenders naturally sacrificed fairness to increased safety for themselves. Such practices caused individual States to set up loaning agencies and to pledge the State credit to protect the purchasers of the farm-loan securities. This form of philanthropy is unwise, but in the face of the breakdown of the ordinary appraisement methods and consequent restriction of credit, it seemed the best thing to do....The needs for accurate appraisal extend to other fields than farm-mortgage lending. One of the most important other needs is the appraisement of our farm lands for taxation. The economic utilization of land depends upon an understanding of its value. The United States is approaching a point where its land resources must be used to the highest economic advantage. Land values determine what are their best uses. Their correct determination, therefore, as a guide for land use is one of the important functions of a scientific appraisal system. Such values also would furnish a guide to buyers and sellers of land and would prevent to a considerable degree the tendency for land values to get out of line with other values. Speculative land values would thus be greatly reduced. Land valuation in its various ramifications assumes the role of a question of public interest. The development of a comprehensive appraisal system is the function of a public agency which could make the results available to all who desired them. The cost of assembling and analyzing the necessary data would be too great for a private agency.

Either the Federal Farm Loan Bureau or the Department of Agriculture is in a position to make the necessary preliminary surveys, to divide the country into homogeneous areas, and to develop the essential land valuation formulas for small areas within the larger districts."

Lumber Industry

An editorial in American Forests and Forest Life for November says: "Some of the difficulties with which lumbermen have been confronted in applying the principles of forestry to their business are ably presented by Doctor Wilson Compton in his article, 'A View of the Woods from the Inside,' in this issue. It is quite true that the American lumberman in recent years has not had an easy trail to travel. The lumber industry is one of the major industries of the country. It is likewise one of the most competitive. The average lumberman must to-day compete with the ever-increasing substitutes for wood, marketed by efficient and high-powered sales organizations. Time was when he could sit at home and take orders for his products. The past quarter of a century has changed all that. To-day he must fight for his markets both in and outside his own industry. The aggregate investments in mills, equipment and timberlands of the lumber industry are tremendous. The lumberman must protect them and make them pay....Doctor Compton's assertion that forestry to the private landowner is fundamentally a matter of dollars and cents is, we think, fully understood by men of business and students of conservation. Many things, notably taxes, forest fires, and uncertainty of profits, have combined to make him hesitate in adopting forestry practice in his operations. The fact that he has been criticized for destructive and wasteful methods, and for an apparent refusal to change them, has not helped his personal state of mind, nor his standing in the public eye as a conservationist. It has, however, unquestionably stimulated his study of forest problems and his adoption of more conservative methods of lumbering and utilization...."

Milk Hygiene in Ireland

An editorial in The Irish Statesman for October 23 says: "We wonder why it is that after the demonstrations during the past decade by Irish doctors and bacteriologists of the peril to child life because the milk supply is often handled so carelessly that it becomes bacteriologically infected and unfit for food, that it should still be necessary for Sir John Moore to speak of the appalling mortality among infants, attributing this largely to unclean milk. It is quite true, as Doctor Creighton said, that if there was an impure water supply in Dublin everyone would be up in arms against it, but while impure milk is causing disease and deformation and the deaths of hundreds of children little or nothing is being done....It is really a matter for State action first of all, and the efforts of the medical profession, of bacteriologists and the public in so far as it can intelligently intervene, should be concentrated on legislation and vigorous action by public authorities. If these have not sufficient power to enforce proper handling of milk, then there should be insistence on the introduction of legislation. It is of course impossible to give all who produce or rehandle milk the education of a scientist, but it has been proved in Copenhagen, in New York and other American cities, and in some English cities, that farmers and vendors may be educated so that a clean milk supply can be assured. It seems to us if the opinion of the medical profession and bacteriologists is of any value, it is at least as important, from the point of view of securing safety to life, to have

such legislation, as to have regulations affecting the speed of motors, for, if the doctors are to be trusted, the death rate, due to the consumption of impure milk, is far greater than the death rate due to reckless driving by motorists."

Section 3
MARKET QUOTATIONS

Farm Products Nov. 3: Livestock Quotations--Top price of hogs at Chicago to-day at $13.25 and bulk of sales at $11.90 to $13.20.

New York sacked Round White Potatoes $2.65-$3 per 100 pounds in eastern cities; $2.55-$2.65 f.o.b. Wisconsin sacked Round Whites $2.50-$2.65 carlot sales in Chicago; $2.30-$2.35 f.o.b. Waupaca. Virginia yellow sweet potatoes steady in a few markets closing at $1.75-$2.50 per barrel in the East. Tennessee Nancy Halls $1-$1.15 per bushel hamper in Chicago. New York Danish type cabbage $20-$25 bulk per ton in eastern markets; $14-$15 f.o.b. Rochester. New York Rhode Island Greenings $3-$3.25 per barrel in New York City. Illinois and Michigan Jonathans $4-$4.50 in Chicago.

Closing prices on 92 score butter: New York 48 1/4¢; Chicago 47¢; Philadelphia 49 1/4¢; Boston 47¢.

Closing prices at Wisconsin primary cheese markets Nov. 2: Twins 23 1/4¢; Single Daisies 24¢; Longhorns 24 1/4¢; Square Prints 25 1/2¢.

Average price of Middling spot cotton in 10 markets declined 27 points, closing at 12.06¢ per lb. December future contracts on the New York Cotton Exchange declined 25 points, closing at 12.32¢, and on the New Orleans Cotton Exchange they declined 35 points, closing at 12.38¢.

Grain prices quoted: No.1 dark northern Minneapolis $1.42-$1.48. No.2 red winter St.Louis $1.39. No.2 hard winter Kansas City $1.38. No.2 yellow corn Kansas City 73¢. No.3 yellow corn Minneapolis 72¢; St.Louis 71¢. No.3 white oats St.Louis 43¢; Minneapolis 42¢; Kansas City 44¢. (Prepared by Bu. of Agr. Econ.)

Industrials and Railroads	Average closing price	Nov. 3,	Nov. 1,	Nov. 2, 1925
	20 Industrials	151.23	150.51	157.88
	20 R.R. stocks	118.01	117.38	105.19

(Wall St. Jour., Nov. 4.)

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DAILY DIGEST

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Vol. XXIII, No. 31 Section 1 November 5, 1926.

INCOME TAX CUT PREDICTED — An Associated Press dispatch to-day from Chicago says: "Taxes on 1927 incomes will be cut by Congress between $200,000,000 and $300,000,000, Martin B. Madden of Chicago, chairman of the House Appropriations Committee, forecast yesterday on the heels of his re-election. Citing a predicted Treasury surplus this year of $250,000,000, Mr. Madden said Congress 'will undoubtedly be able to arrange a new tax cut effective in 1928 on 1927 incomes,' and declared that he would recommend such a reduction. Removal of the theatre and amusement tax, a further reduction of the surtax and a cut in the tax on corporations are among the next steps in the lightening of the Nation's tax burden, Mr. Madden intimated, although he hesitated to forecast which taxes would receive the benefit of the cut. He would not prophesy what new tax legislation might provide in regard to individual incomes."

MILK STANDARDS — The New York Times to-day reports: "A preliminary agreement which is expected to result in the adoption of uniform milk standards in Vermont, Massachusetts, Connecticut, Pennsylvania, New Jersey and New York was reached yesterday at a conference of health authorities held in the New York office of Dr. Matthias Nicoll, State Health Commissioner. The meeting adjourned subject to the call of the chairman, Professor Henry N. Ogden of Cornell University, a member of the State Public Health Council. 'The conference was called as a preliminary to making basic and minimum milk requirements uniform,' said Dr. Louis I. Harris, Health Commissioner of New York City, after adjournment. 'We discussed the sanitary, chemical and bacteriological standards, which we expect will be made uniform in the six States and in New York City. The States have not only their own milk consumption to consider but many of their farmers ship milk here and look upon New York City as a steady source of income. The purport and intent of the things agreed upon will elevate the standards. It was agreed that any minimum standards adopted jointly shall not restrict the several States or New York City from imposing higher ones. The standards vary greatly at present and when assembled present a kaleidoscopic pattern.'... "

MANGANESE CONTROL SOUGHT — An Associated Press dispatch from Moscow, to-day says: "American manganese and financial interests may soon control the entire production of manganese in Soviet Russia, valued at many million dollars. Negotiations to this end have been in progress for some time between the American Manganese Company, the largest corporation of its kind in the world, and the Soviet Government. Several engineers of the company are now in various parts of Russia making a survey of the country's active and potential production of manganese."

FOREST TRACT BOUGHT — A Paul Smith's dispatch to-day reports that the State of New York has purchased a tract of forest of 12,000 acres in the former Rockefeller preserve a few miles north of Paul Smith's.

Section 2

American Advancement

The material advancement of the United States during the last quarter of a century has been one of the marvels of all human history. We have often called attention to the fact that with about 6 per cent of the world's population we are producing more than one-half of most of the world's dominant industries---over 50 per cent, for instance, of the world's pig iron; 66 per cent of the world's steel; over 50 per cent, of the world's copper; 63 per cent of the world's petroleum, and other things in proportion. Of the total of 24,565,000 motor vehicles in the world the United States has 19,954,000, or 81 per cent, while the country produced 87.5 per cent of the world's output of automobiles. We have 62 per cent of all the telephones in the world. The purchase and maintenance of the automobiles and motortrucks of this country now amounts to over $10,000,000,000 a year. Our population is increasing at the rate of over 3,000,000 a year. Between 1904 and 1925 our bank clearings rose from $103,356,000,000 to over $505,298,000,000. Our foreign commerce increased from $2,452,000,000 in 1904 to $9,137,000,000 in 1925. Our building associations advanced during that period from a membership of 1,679,000, with assets of $618,000,000, to a total membership in 1925 of 8,554,000, with assets of $4,765,000,000. As late as 1922 we had 22,415,148 savings accounts, with $15,314,000,000 deposits in savings banks, while in 1925 we had 43,850,000 savings accounts, with $23,134,052,000 to their credit. (Richard H. Edmonds in November Review of Reviews.)

Chemistry

"Chemistry is Overturning Industry" is the title of an article by William Haynes, publisher of Chemical Markets, in Nation's Business for November. This says in part: "Our great-grandfathers, it has been said, consulted their bankers, and our grandfathers retained lawyers. Our sons will assuredly engage chemists. For along with the application of physics to industry in the extraction of energy---steam or electricity from coal, gas, oil, and water power---has come the steady development of another science, chemistry. We are just beginning to apply chemical reactions to manufacturing in new ways that plainly forecast a chemical revolution of all industry; the ultimate results one can now but vaguely surmise....It rather staggers our sense of the general fitness of things even to think of the morning's milk and the roast for dinner as by-products of the tannery trade, yet serious minded statisticians have estimated that, were it not for artificial leather, every single head of cattle in the country would have to be slaughtered to meet the automobile industry's insatiable demand for tops and seat coverings. Moreover, it would require an acreage of the very finest grazing land, equal in extent to all the States west of the Mississippi, to support the herds necessary for hides equal to the world's annual yardage of artificial leather."

Cotton Future Trading

An editorial in The Chicago Journal of Commerce for November 3 says: "Georgia's foolish law prohibiting trading in cotton futures is attacked in its own home. The Atlanta grand jury recommends that the State legislature repeal this prohibition. The grand jury recognizes the fact that the present law is bad for business. It is not only bad for business, but it is bad for the Georgia cotton growers. Trading in cotton futures is a legitimate form of speculation in cotton. If there were no speculation, the price of cotton would be subject to far more

sudden fluctuations than now occur. Speculation is a stabilizing influence. It restrains the upward movement of prices at one period; it restrains the downward movement of prices at another period. In short, it keeps the fluctuations within a narrower range....The grand jury of Atlanta perceives the need for changing the law. Possibly the rural interests of Georgia are not so perceptive. Possibly they still feel in a confused way that the cotton exchanges have caused the low prices--which, in fact, have been caused not by the exchanges but by the immemorial law of supply and demand. The cotton exchanges merely register the results of that law....If the cotton growers of Georgia oppose futures trading and oppose the cotton exchanges, they will act in the spirit of the defeated king who slew the messenger, or the tardy tarveler who threw a brick at the station clock."

Cotton Situation

D.B. Osborne, writing in Manufacturers Record for November 4, says: "Concerning the unfortunate cotton situation: Excepting the interest displayed by the Government, the present situation is but a repetition of many like experiences in the past. It is perhaps unusually acute in point of loss to the average farmer and its concomitant result on business in general, still, in essence, it is merely a recurrence of an almost annual phenomenon. It is a reflection on the intelligence of our people that after so wide and varied an experience in the growing and marketing of cotton crops in the past at this late day we should have to call on the Government for aid to pull us out of a serious difficulty of our own making. What assurance can the Government or anyone else have that immediately conditions are righted and the market price adjusted to a normal profit, like conditions will not immediately follow and from the same cause? There is certainly no machinery in evidence to prevent it.....The orderly marketing of the cotton crop is an important function, and is desirable under any and all conditions of the crop, but it is not nearly so important as would be the function that would avoid a surplus production, or a plan to compel the surplus to come from intelligent and intensive methods of farming rather than mere acreage, main strength and cussedness. Let us hope and pray the committee appointed to find relief for the present emergency will give some sober thought looking toward a permanent and just restriction of the acreage planted to cotton....If experience can teach us anything at all, we should know by this time that acreage control is a mere chimera if left to sporadic effort, and besides 'What is anybody's business is nobody's business.' Persistent and concerted action under the authority of a just law will accomplish the desired result."

Florida

The plucky manner in which Florida has met reverses and the evidence that it is determined to work toward achievement more substantial and enduring than ever before, augers well for the future development of the State, in the opinion of John Ihlder, manager of the Civic Development Department of the Chamber of Commerce of the United States, as expressed at Daytona Beach November 5, before the convention of the Florida Real Estate Boards. "Florida", he said, "is passing through a transition period. Florida historians, looking back upon its development may find that the years 1925-1926 were the dramatic dividing line between two periods, that of exuberant expansion and that of consistent, substantial building inspired by far-sighted vision." (Ch. of Commerce of U.S. press statement, Nov. 5.)

France's Nitrate Needs

The increased production of nitrates is vital to French industry both for agricultural purposes and for the manufacture of explosives and various other chemicals. According to advices received by the Bankers Trust Company of New York from its French information service, new plants and factories are being constructed by fourteen of the principal French mining companies for the production of synthetic ammonia. Some of these are already in operation and, when the new plants have been completed, it is estimated that the yearly output will amount to 60,000 metric tons of ammonia or 100,000 metric tons of sulfate of ammonia. France's consumption of nitrate fertilizers has increased from 48,000 metric tons in 1900 to 390,000 metric tons in 1924. Imports of nitrate of soda from Chile amount to 264,000 metric tons yearly.

Lumber Markets

"Lumber Finds Widening Markets" is the title of an article by Frank G. Wisner, president of the National Lumber Manufacturers' Association, in Nation's Business for November. In this the author says: "The lumbermen's experience in general with meritorious substitutes for wood is that they create unforseen uses for wood; every new disuse seems to turn up a new use. They know that whereas substitutes for wood have been in the field both in housing and in manufacturing for centuries, the world continues to consume at some price all the lumber and other forms of wood that the mills produce. Human nature, with its likes and dislikes, depending more on feeling than on logic, more on experience and custom than on reason and political economy, can not be persuaded at once to alter its ancient habits by a few laboratory demonstrations and snap judgments."

New York Milk Supply

The New York Times of November 4 says: "While District Attorneys of the Bronx and Queens were considering November 3 how to proceed with their milk investigations, the City of New York was considering how to overcome a milk shortage of about 500,000 quarts a day. The slump is attributed to the seasonal failure of pasturage. Milk dealers wish to increase the metropolitan 'milkshed.' Health Commissioner Louis I. Harris insists that the most effective way to meet the shortage is to find methods of increasing milk production....."

Section 3

Department of Agriculture

An editorial in American Fruit Grower Magazine for November says: "Assistant Secretary of Agriculture R.W.Dunlap, speaking before the Vegetable Growers' Association of America, proposed a new plan for relieving the situation of agriculture. He suggested that the Government purchase some of the marginal land on which crops can not be grown profitably at the present time. The retiring of such land from productive operations would decrease production and tend to strengthen agricultural prices....Mr. Dunlap's proposition probably has considerable merit. There is no question but what, due to the needs of the war and the promotion schemes of outside interests, much land has been brought into cultivation that should have been left alone. Of course, in the working out of such an idea, some difficult questions would arise. For instance, who would decide where the marginal land would be purchased? What would be paid for it?....."

Section 4
MARKET QUOTATIONS

Farm Products Nov. 4: Chicago livestock quotations: Top price of hogs to-day at $13.20 and bulk of sales at $11.90 to $13.20.

New York sacked round white potatoes $2.85-$3 per 100 pounds in eastern cities; $2.55-$2.65 f.o.b. Rochester. Wisconsin stock $2.50-$2.60 carlot sales in Chicago; $2.30-$2.35 f.o.b. Waupaca. Wisconsin Danish type cabbage $5-$7 per ton higher closing at $20-$22 f.o.b. Racine and $25 in Chicago. Midwestern yellow onions $1.50-$1.85 sacked per 100 pounds in consuming centers; $1.40-$1.65 f.o.b. New York yellows $1.50-$2 to jobbers in the East; $1.55-$1.75 f.o.b. Large size New York Twenty ounce apples $2.75-$3.25 per barrel; Rhode Island Greenings $3-$3.25. Illinois and Michigan Jonathans $4-$4.50 in Chicago.

Grain prices quoted: No.1 dark northern Minneapolis $1.43-$1.49. No.2 red winter St.Louis $1.41. No.3 yellow corn St.Louis 71¢; Minneapolis 74¢. No.3 white oats St.Louis 44¢; Minneapolis 42¢.

Average price of Middling spot cotton in 10 designated markets declined 9 points, closing at 11.97¢ per lb. December future contracts on the New York Cotton Exchange declined 8 points, closing at 12.24¢, and on the New Orleans Cotton Exchange they declined 7 points, closing at 12.31¢.

Closing prices on 92 score butter: New York 48 1/4¢; Chicago 47¢; Philadelphia 49 1/4¢; Boston 47¢.

Closing prices at Wisconsin primary cheese markets Nov. 3rd: Single Daisies 24¢, Longhorns 24 1/4¢; Square Prints 25 1/2¢. (Prepared by Bu. of Agr. Econ.)

Industrials and Railroads	Average closing price	Nov. 4,	Nov. 3,	Nov. 4, 1925
	20 Industrials	152.76	151.23	158.05
	20 R.R. stocks	119.25	118.01	105.13

(Wall St. Jour., Nov. 5.)

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DAILY DIGEST

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Vol. XXIII, No. 32 Section 1 November 6, 1926

THE PRESIDENT AND TAX REBATE The press to-day reports: "President Coolidge, after studying the revenue returns showing a surplus in excess of $250,000,000, has decided that there can be a 10 or 12 per cent rebate or refund in the income tax payable in 1926 on incomes for the calendar year 1925, the last instalment of which is due Dec. 15. Accordingly he will recommend to the coming session of Congress legislation to carry such a cut into effect....."

MELLON AND PETEET ON COTTON RELIEF PLANS The Associated Press to-day reports: "The State financing corporations organized in the South to meet the cotton emergency were indorsed yesterday by Secretary Mellon and criticized by Walton Peteet, Washington representative of western and southern farm relief organizations. 'I am very much interested in the steps now being taken in the South to organize cotton finance corporations with ample capital to finance the storage of this year's surplus cotton until it can be marketed advantageously,' said Mr. Mellon. 'The manner in which the bankers and business men are cooperating with agricultural interest in a practical program, which it is hoped will meet the situation effectively, is extremely gratifying and I trust that the program will be carried through to a successful conclusion.'

"'The plan sponsored by Chairman Meyer of the President's Cotton Commission to direct the holding movement into the organization by bankers of special loan companies in each State,' Mr. Peteet said, takes 'no account of the cooperatives,' is 'impracticable so far as the average cotton farmer is concerned,' and is 'foredoomed to failure' as a solution of the cotton surplus problem."

STATISTICIANS ON AGRICULTURAL SURVEY The Washington Post to-day says: "Discussing changes in American agricultural conditions, revealed in the recent census of agriculture, speakers before the Washington Statistical Society meeting last night indorsed the proposal to conduct the Nation-wide survey at five-year intervals. Dr. William M. Steuart, Director of the Census, addressed the society, outlining the difficulties in tabulating and preparing for publication information acquired in the census. Papers on various phases of the subject were presented by Dr. Lewis C. Gray, head of the Division of Land Economics, Department of Agriculture; William L. Austin, chief statistician for agriculture, Bureau of the Census, and Leon E. Truesdell, chief statistician for population, Bureau of the Census."

NEW YORK FUR AUCTION The press to-day reports: "The auction of raw furs that started on Wednesday in the New York warehouse of Frederick Huth & Co. came to a close late yesterday afternoon with sales aggregating $900,000. This figure is $100,000 under the estimated value put on the furs before the sale began. According to the firm's report, buying activity was greatest yesterday in marten and baum marten. Of the featured articles--muskrats, mink and raccoon--only the mink moved with any real snap."

Section 2

Agricultural Legislation

Theo. H. Price, in his weekly review in Commerce and Finance for November 3, says: "It is practically certain that in the next Congress there will be a powerful farm bloc and that as a result of the decline in cotton it will be backed by a coalition of the agricultural South and the grain growing West. The condition of agriculture as compared with the manufacturing industries constitutes the most important economic problem before the country, and few there be who see a solution for it. 'You have sold the city and almost forgotten the farm,' was the assertion of a speaker who addressed an assemblage of advertising agents last week, and another speaker urged world wide advertising of our farm products as a remedy for our agricultural ills. The enormous demand that has been attracted to cotton by the recent decline and the publicity given to it is a partial vindication of this advertising man's advice, and there may be more to it than many are disposed to concede. Certainly the big cotton crop seems to have lost its terror and with the whole world waiting to buy on weak spots any further decline of importance seems unlikely. The distributors of cotton goods appear to be coming to this conclusion and a big business is expected."

Bradstreet Price Average

Bradstreet's report on movement of commodity prices during October states that the number of products advancing was almost the same as the number of products declining; the average decrease of three-tenths of 1 per cent being mainly due to cotton and non-ferrous metals. Out of the eleven groups in which Bradstreet classifies the commodities, four showed declines--breadstuffs, metals, textiles and miscellaneous products. The seven which advanced were hides, naval stores, oils, fruit, coal and coke, livestock and building materials. In all, 28 products advanced, 27 declined and 51 remained unchanged. (Press, Nov. 5.)

Cotton Price

An editorial in Southern Agriculturist for November 1 says:"...It is true enough that the world really needs all the cotton the South has produced. Cotton growers themselves are going to need much more of it, after it has been manufactured, than they are going to be able to buy; and lots of other people who should be buyers of cotton goods are in the same fix. It may seem fundamentally unjust that the farmers of the cotton country should be punished for producing abundantly a great commodity the world needs; but that does not change one bit the fact that they are going to suffer because they have done too much. Nor does the fact of abundant and low-priced cotton promise any great increase in consumption. The cost of the cotton in most cotton goods is so small in comparison with the cost of the labor involved that a reduction of the price of raw cotton has little or no effect on the price of the manufactured fabric...."

Cotton Situation

W.P.Crawford, president of the Macon Ridge National Bank, Delhi, La., writes to Manufacturers Record for November 4 as follows:"....It is advisable to hold 4,000,000 bales off the market until the world needs the cotton, and I think the bankers should cooperate with the different committees to make a success of this movement, bearing in mind that the most important thing is to curtail acreage next year and plant more feed crops or raise more products at home that they are now buying. However, this movement will, to a great extent, have to be worked out with the larger planters and merchants, because most of the small farmers have already sold their cotton, and the only way it will benefit them

is the effect holding this cotton off the market will have on the value of next year's crop. My reason for favoring the holding movement is that it will enable the South as a whole to get a better average price for this year's crop in the wind-up and even though it does not help the small farmer it will keep that much more wealth in the South. It is my opinion that the decline in cotton this fall is not going to hurt the small southern farmer any more than it is people in other sections in other lines of industry, if as much. It simply keeps the South from spending in other sections several hundreds of millions of dollars which they would have spent if cotton had sold around 20 cents.... It is useless for experts to estimate the cost of raising cotton, because there is no way of determining it for the simple reason that a great percentage of the small southern farmers are entitled to much better living conditions than they now have. If you allow the small farmer the living conditions he is entitled to, the investment cost will be increased, and this will naturally make cotton cost more. The small southern farmer is going to insist on better homes and living conditions, and will get them, and cotton will be maintained at a higher price in future unless some means are developed for picking it other than by hand. If the southern bankers and merchants had cooperated more with the cooperative marketing associations, they would not be worried now with the farmers selling their cotton so rapidly. Outside of a few leading bankers the cooperative movement has received very little, if any, help from the bankers and merchants. If cooperative marketing is a good thing, and quite a few bankers now agree that it is, then it is my suggestion that the bankers get their bofrowers to join the cooperative associations when they loan them money to make a crop...."

Exports and Imports

The balance of trade in the export business of the United States with the rest of the world in the nine months ended Sept. 30, compared with the corresponding period of 1925, favors this country by more than $87,000,000. Despite this favorable showing, exports dropped in value from $3,503,000,000 in the hine months of a year ago to $3,409,000,000 in the same period of 1925. At the same time imports increased from $3,079,000,000 to $3,322,000,000. In September the balance of trade favored the United States in larger amounts than for the nine-month period. Exports in September of this year were valued at $448,723,635, against imports of a value of $343,478,904, giving this country an advantage in sales of more than $105,000,000. (Press, Nov. 5.)

Government Control

Farm and Ranch for October 30 says:"...Farm and Ranch has received a number of letters from farmers advocating Government control of acreage. Do farmers have to have a law to prevent their planting their entire acreage to cotton? Have these farmers lost all self-respect? Must farmers plant cotton unless prohibited? The South was warned a year ago that another large cotton crop would mean starvation prices. What good did it do? The warning was followed with the greatest acreage in the history of the country. Some are advocating letting the crop rot in the fields, but these same farmers will go to the expense of raising another crop on the same ground next year. Inasmuch as they have gone to the expense of raising this crop, why not pick it and save it for next year instead of destroying it only to go to the same expense on another crop? Do anything with it, but keep the Government from tagging you with a number plate and taking control of

your farm....Bear in mind that if the Government is given authority to control your cotton acreage, by that same authority it can tell you to keep a certain number of cows; to plant a certain number of acres of corn or of any other crop...."

Orderly Marketing

An editorial in Farm and Fireside for November says: "We shall appreciate the effort of anyone who presents us with some good reasons for these facts: Buffalo is across Lake Erie from the great potato-growing State of Michigan, but buys seven times as many potatoes from North Carolina as from Michigan, and more from Virginia than from any other State. Washington, D.C., only a river's width from Virginia, buys potatoes from thirteen different States, and most of them come not from Virginia but from Michigan! Michigan, Virginia and Florida ship potatoes into twenty-five other States. Idaho ships to thirty-three States, some of her potatoes riding by freight for 2,970 miles. Can it be that potato marketing is a disorganized, confused, disorderly mess? Undoubtedly it is, just that. So is much of our other marketing. Five years ago general attention was fixed upon the fact that our system of routing many products from farm to table is a blind and haphazard system.....We haven't kept our minds on this distribution problem steadily enough. Minor improvements are being made little by little. And that is just the way this job has to be done--little by little: here a forward step in grading; there a more direct routing; somewhere a better facility for transportation; elsewhere a reduction in cost of physical handling, and so on. No crop or product is so perfectly marketed that no better way of getting it to the consumer can be found."

Poe on Cotton Problem

Clarence Poe, editor of The Progressive Farmer, in the October 23 issue says: "....About cooperative marketing we should say that we reiterate our belief that it is the ultimate solution of our problem, and that the Government will gradually give cooperatives authority to work actively and openly for acreage-regulation without any threat of conflict with anti-trust regulations, such as are now in the way. We believe that farmers should join their cooperative marketing associations, and that financial and governmental agencies should operate, just as far as possible, through our cooperative organizations....."

Quoting and commenting on Secretary Jardine's letter to Edward A. O'Neal, president of the Alabama Farm Bureau Federation, Mr. Poe continues: "Of course, a moderately large carry-over ought not to be a misfortune. It is a disgrace to our financial and governmental machinery that it is. But the fact remains that to the farmer it is a misfortune. When he plants cotton he can't tell whether it will be a year of big yields per acre or low yields. Consequently, he can't plant enough just to supply the world without running the risk that he is planting considerably too much to supply it. And if he is to be penalized and half-bankrupted every time Providence gives him a big acre-yield, there is only one thing for cotton farmers to do--we must plant an acreage so small that it will run the risk of being too little for the world's needs. If that is the only way the cotton farmer can get decent wages, that is what he will be forced to do and the world must take the consequences....."

Section 3
MARKET QUOTATIONS

Farm Products Nov. 5: Livestock quotations: Top price of hogs at Chicago at $13 while bulk of sales were at $11.75 to $13.

New York sacked round white potatoes $2.85-$3 in eastern cities and $2.55-$2.65 f.o.b. Rochester. Wisconsin sacked round whites $2.50-$2.60 carlot sales in Chicago; $2.30-$2.35 f.o.b. Waupaca. Virginia yellow sweet potatoes $1.50-$2.50 per barrel. Tennessee Nancy Halls $1-$1.10 per bushel hamper in Chicago. New York Danish type cabbage $22-$25 bulk per ton in eastern distributing centers; $15-$16 f.o.b. Rochester. Northern stock $25 in Chicago and $20-$22 f.o.b. Racine, Wis. New York Rhode Island Greening apples $3-$3.25 per barrel in New York City; $2.75-$3 f.o.b. Rochester. Baldwins $3-$3.50 in New York. Michigan and Illinois Jonathans $4-$4.50 in Chicago. Northwestern Extra Fancy Jonathans $1.50-$2.25 per box.

Average price of Middling spot cotton in 10 designated markets declined 1 point, closing at 11.96¢ per lb. December future contracts on the New York Cotton Exchange declined 3 points, closing at 12.21¢, and on the New Orleans Cotton Exchange they were unchanged at 12.31¢.

Closing prices on 92 score butter: New York 48 1/2¢; Chicago 47¢; Philadelphia 49 1/2¢; Boston 47¢.

Closing prices at Wisconsin primary cheese markets Nov. 4: Single Daisies 24¢; Longhorns 24 1/4¢.

Grain prices quoted: No.2 red winter St.Louis $1.41. No.2 yellow corn Chicago 72¢. No.3 yellow corn Chicago 71¢; St.Louis 70¢. No.3 white oats Chicago 44¢; St.Louis 44¢. (Prepared by Bu. of Agr. Econ.)

	Average closing price	Nov. 5,	Nov. 4,	Nov. 5, 1926
Industrials and Railroads	20 Industrials	152.88	152.76	157.56
	20 R.R. stocks	118.95	119.25	104.37

(Wall St. Jour., Nov. 6.)

DAILY DIGEST

Prepared in the United States Department of Agriculture for the purpose of presenting all shades of opinion as reflected in the press on matters affecting agriculture, particularly in its economic aspects. Responsibility, approval or disapproval, for views and opinions quoted is expressly disclaimed. The intent is to reflect accurately the news of importance.

Vol. XXIII, No. 33 Section 1 November 8, 1926.

FARMER EARNINGS The New York Times to-day says: "The National Industrial Conference Board's analysis of the agricultural situation, made public yesterday, indicates that while the average farmer's income in the United States improved during the crop year 1925-1926 by about 4 per cent, the farmer's cost of living during the same period also increased, rising almost enough to cancel the gain. The analysis of agriculture's balance sheet shows that the average return for the labor and management applied to the farm by all operators, that is, owners and tenant farmers combined, amounted to $679 per farm operator for the year, which includes the food, fuel and shelter supplied by the farm....Return on the total capital invested in farms in the United States for the crop year 1925-1926 was little more than $5\frac{1}{4}$ per cent. More than half of this represents interest on farm mortgages at higher average interest rates than $5\frac{1}{4}$ per cent. Therefore the average return on money invested by farm owner-operators in their own farms was less than $2\frac{1}{2}$ per cent, according to the board's analysis."

FARM INVENTORY PLANNED An Ithaca, N.Y., dispatch to the press to-day says: "A farm inventory week in many counties in New York State will be held from Jan. 3 to 8, 1927, under the direction of the farm management department of the New York State College of Agriculture at Cornell University. It is hoped to obtain inventories by that time from more than 10,000 farmers, along with financial statements that will aid in the study of farm management. In each of the counties in which the inventories will be conducted twenty farms will be selected for the tests."

GOVERNMENT SHIP SALE The Baltimore Sun to-day reports: "Under the caption, 'Don't Give Up the Ships,' the heads of thirteen national and international labor and farm organizations issued a statement November 7 in which they call upon the Shipping Board to cease the sale of Government ships. They argue that adoption by the Senate of the Jones resolution, directing the board to investigate the relative merits of public and private construction, operation and ownership of the ships, acts as a stay on the direction given the Shipping Board in the Merchant Marine act of 1920 to sell the ships as soon as routes become profitable. The statement asserts operation of Government ships by the United States Shipping Board has been increasingly successful under the leading systems and, in confirmation of the claim, cites reductions in ocean freight rates."

COTTON MARKET A New Orleans dispatch to the press to-day reports: "Notwithstanding last week's gradual easingoff of cotton prices, there were evidences of good trade and investment buying on every break and the general report is that there are large orders under the market on the scale down. Many outsiders as distinct from the regular ring traders have become convinced that cotton is cheap and they are absorbing contracts at every opportunity. ...."

Section 2

Business and Agriculture

Having considered the agricultural problem from the viewpoint of the wheat belt, the corn belt and the cotton belt, the business interests of the country, as represented by the Chamber of Commerce of the United States, will direct attention to the problem as it appears to the industrial East, in a regional conference to be held at Harrisburg, Pennsylvania, November 22 and 23. The National Chamber announced November 7 that it will sponsor the conference jointly with the Pennsylvania State Chamber of Commerce and the Harrisburg Chamber of Commerce. It will be made up of representatives of agriculture and other industries from the States of Delaware, Maryland, New Jersey, New York, Pennsylvania and West Virginia. In accordance with the policy of approaching the agricultural problem from the regional viewpoint three such conferences have already been held this year,--at Salt Lake City, Montgomery, Ala., and Asheville, N.C. A fourth will be held at Indianapolis on November 15 and 16. Up to this time no attempt has been made to visualize the agricultural problem as it exists in the East. This will be the purpose of the Harrisburg meeting.

Food Production

An editorial in The Journal of Commerce for November 5 says: "According to estimates prepared by League experts the world production of foodstuffs (excluding China) and of raw materials has risen about 16 to 18 per cent above the level of 1913, while at the same time world population and trade have increased only 5 per cent. Taking Europe alone, the population growth has been but 1 per cent since the last pre-war year, although the increase in North and South America is estimated to have been 20 per cent or more. Inverting the familiar Malthusian formula, the statistics show that subsistence is at present tending to outstrip the growth of population. Therein probably lies the fundamental explanation of the almost universal depression that prevails in agricultural and extractive industries. Not only has the normal increase in population failed to materialize, but in many parts of the world ability to buy is much less than in pre-war times....Are we to conclude from such facts that agriculture offers little promise for the future and that the flight from the land, a conspicuous present day social phenomenon, is likely to continue indefinitely? The question is of real and immediate importance to highly industrialized countries with 'surplus' labor populations which they would like to see transferred to the soil. The problem of lending encouragement to migration and establishing settlers on new lands is made difficult and complicated by a natural indisposition to do agricultural work in the face of diminishing profits....Is the world likely before long to reach once more a condition in which population will begin to press upon subsistence to the gain of the farmer at the expense of the industrialist? Some people at any rate think so. It is estimated that about two and one-half acres of land are now being used to sustain one person. To be sure, this average varies widely for individual countries, but assuming living standards to remain unchanged it is at least possible to estimate roughly to what extent populations may expand without forcing more intensive and expensive methods of farming....It does not appear that the existing agricultural depression reflects any sort of prolonged world trend. It is, on the contrary, the result of temporary and abnormal causes working in opposition to fundamental, underlying tendencies."

Houston's Book

"Eight Years with Wilson's Cabinet," by David F. Houston, is reviewed at length by Allen Sinclair Will in The New York Times Book Review for October 31. The reviewer says: "....Not the least important part of the book is an excellent history of the extensive activities of the Agricultural Department under Houston, covering the period of the launching of the Farm Loan act and the Federal Aid Road act. As a literary product, the work takes relatively high rank among the rapidly growing memorabilia of the Wilson administration. Its deliberately phrased portions, as differentiated from the casually framed entries in note form, made more or less on the spur of a moment, which are reproduced, show a considerable degree of polish, marked lucidity and general charm. The book is a worthy effort of one who had been the executive head of a college and two universities. It bears the stamp of a purpose well conceived and, on the whole, well executed."

Motor Bus Transportation

Commerce Monthly (New York) for November contains an extensive article on the motor bus in the transportation field by George W. Eddins. Mr. Eddins says in part: "Few persons have yet visualized the magnitude of development of motor-bus transportation, so rapid has its progress been in the last five years. Already the scheduled mileage of common carrier buses exceeds that of the country's steam railroads. If to this be added the routes covered by non-common carriers, the total greatly surpasses that of steam and electric roads combined. And this veritable network of services is the accomplishment of little more than five years' time. So swift a growth of a new transport agency, which in certain fields is strongly competitive with the old established and familiar means, inevitably creates many perplexing problems in equitable taxation, franchises, use of highways, safety and insurance requirements, coordination of service and especially in the field of rate control. With these the public and its regulatory commissions are as yet hardly more than beginning to deal. Meanwhile, a development of outstanding significance has been the active entrance of the electric and steam roads into this new field. For if their attitude of a few years back was one of indifference and annoyance at the upstart competitor, they were soon to see the future possibilities, whether of competition or of complementing their own facilities, which the rapid progress of the new agency was suggesting. The public wants to ride on rubber tires; and the old line transportation systems have been heeding the demand. In 1921 only 16 electric railway companies operated buses. The number has now grown to well over 300, which employ these vehicles on nearly 13,000 miles of route. While at the beginning of 1925 only 3 steam roads were operating bus routes, now over 40 have entered the field. At the beginning of 1926 the number of buses operated by both electric and steam railroads was estimated at around 5,500, a growth of 80 per cent in a year's time. This is but the beginning of the railroads' participation in motor transport."

Motor Vehicle Regulation

An editorial in The Wall Street Journal for November 5 says: "Whether freight and passenger services by motor vehicles crossing State boundaries shall be subjected to Federal regulation and, if so, whether such regulation should be of the same kind and scope as that imposed upon the steam carriers with which they compete, is unavoidably

becoming a live issue. The demand for motor regulation comes chiefly from the railroads, with such part of 'the public' which has so far become articulate in the matter more or less hostile to highly centralized supervision. Hearings before the Interstate Commerce Commission extending over three months have developed a great mass of useful information about commerce on the highways, with a wide variety of apparently irreconcilable opinions. Railroad executives hold their revenues to be seriously threatened by an unrestrained competition and duplication of facilities; bus operators ask for regulation of a limited sort.....It was indicated by testimony before the commission, though not conclusively, that bus lines were of graver import to the railroads than trucks, since 90 per cent of the latter were almost wholly engaged in local services in part supplementary to those of steam carriers. Only 2,500 of the 2,500,000 trucks in use, as the estimates go, are at the command of other shippers than their owners or contract users. Somewhat similarly, a large part of the passenger revenue losses of the railroads, concededly more than 75 per cent, is attributed to private automobiles. ...Comprehensive regulation of motor vehicles is meeting much the same opposition as that of railroad regulation did in its early days. It is doubtless quite as inevitable. Owners of highway vehicles, however, in the present tenor of the public thinking about transportation matters, have less to fear from ignorant or vindictive exercise of the regulatory power than the railroads had twenty years ago."

Poultry Problems in New York The New York Times of November 6 says: "Consumers of poultry here will be saved thousands of dollars each week as a result of amendments to the Sanitary Code which went into effect November 5 and which are designed to prevent the importation of overcropped and diseased birds, it was said by Health Commissioner Harris. The Federal Department of Agriculture is to assign a veterinarian and lay inspectors to help enforce the new regulations, and the New Jersey authorities also are to cooperate in that State, Doctor Harris said...."

Sugar Stabilization Alan H. Temple, writing in Commerce and Finance for November 3, says: "In the United States, say Secretaries Hoover and Jardine and other advisers of the farmer, the way to restore agriculture to an economic parity is to apply industrial principles to the solution of its problems. That is exactly what is being done to-day in the essentially agricultural industry of producing raw sugar in Cuba. Of course it is not yet definitely known how long or to what degree the Cuban Government will follow the policy that it initiated last year, and which it is legally authorized to continue this year. But the conclusion seems inescapable that it is economically desirable and sound and, if the Government so wills, practicable, to establish a degree of scientific management of the island's sugar industry that can be equalled elsewhere only by individual business organizations--certainly not by any other entire agricultural industry...."

Turkish Trade Relations Prompt ratification of the Turkish treaty in the interest of American commerce was urged in a statement to-day by John W.O'Leary, president of the Chamber of Commerce of the United States. "In this

country", says Mr. O'Leary, "there is a real business interest in Turkey as a present and promising export market for American products, and further interest in many of the materials of industry available in Turkey. The lack of treaty relations between the United States Government and Turkey is a handicap to American trade with Turkey and the Near East. This trade is not making headway. Business men are slow to invest capital in countries where their rights are not assured by definite and favorable treaty provisions..."(Press statement, Ch. of Com. of U.S.)

Section 3
MARKET QUOTATIONS

Farm Products For the week ended Nov. 6: Livestock quotations: The hog market at Chicago to-day closed active with a drop of 25¢ on the top price. Compared with a week ago fed yearling steers are 25 to 50¢ higher and most grades weighty steers 25¢ up; cows and heifers are 25 to 50¢ up, vealers are 50¢ up and heavy calves are unchanged. Feeder steers are a shade lower. Fat lambs and yearling wethers closed 50 to 75¢ higher, fat ewes steady and feeding lambs 25 to 50¢ lower, for the week. New York wholesale prices on western dressed good grade meats are 50¢ to $1 higher on steer beef, $2 higher on veal, $1 higher on lamb, 50¢ to $1 up on mutton, weak to $1 lower on light weight pork loins and $4 to $5 lower on heavy loins, compared with a week ago.

Potatoes 5¢-10¢ lower at eastern shipping points; unsettled elsewhere. Sweet potatoes irregular. Virginia yellow varieties ranged $1.25-$2.40 per barrel in eastern markets. New York Danish type cabbage $2-$3 higher per ton in eastern markets. Wisconsin stock $4-$7 higher in Chicago. New York Rhode Island Greening apples steady at $3-$3.25 per barrel in New York City.

Butter markets during the week were in a steady to firm position. Trade was only moderate as buyers were not willing to anticipate need and sellers would not indulge in price shadings. Supplies, however, did not show any material accumulation and prices showed only slight advances.

Cheese markets were steady and prices on the cheese boards at Plymouth, Wisconsin, on Nov. 5 were unchanged. Trade was quiet and margins over board prices were very narrow. Production is decreasing and is now considerably lower than a year ago.

Average price of Middling spot cotton in 10 designated spot markets declined 29 points during the week, closing at 11.96¢ per lb. December future contracts on the New York Cotton Exchange declined 39 points, closing at 12.19¢, and on the New Orleans Cotton Exchange they declined 35 points, closing at 12.32¢.

Hay market steady with moderate receipts. Good grades well taken most markets. Demand timothy clover active. Alfalfa and prairie slackening.

Feed market holding steady. Good pastures and mild weather keeping down feeding requirements. Wheatfeed prices about unchanged with offerings fully equal to the limited demand. Cottonseed meal practically unchanged. High ocean freights restricting export buying but movement of seed to mills slowing up a little. Linseed meal barely steady. Gluten feed moving more readily at recent price reduction but hominy feed slightly easier. Alfalfa meal nominally steady. (Prepared by Bu. of Agr. Econ.)

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Vol. XXIII, No. 34 Section 1 November 9, 1926.

TAX REDUCTION PLANS The press to-day says: "The proposal of President Coolidge for a refund or rebate of a part of the surplus in the Treasury for the current year received an entirely new interpretation yesterday when Secretary Mellon outlined a plan for a credit, rather than a refund, on the income taxes to be paid March 15 and June 15, 1927, on incomes of 1926. The President, through his spokesman, declared last week in favor of a distribution, through refund or rebate, of part of the taxes payable in 1926 on the income of the calendar year 1925, but it was indicated yesterday that Mr. Coolidge would approve the plan of benefiting the taxpayers as outlined by Mr. Mellon. A sentence in Secretary Mellon's statement explained the situation as follows: 'The President has suggested a credit on taxes yet to be paid during this fiscal year, and I see no reason why the greater part of the expected surplus for 1927 might not be left in the pockets of the people of the country by a credit on their income taxes.' Mr. Mellon asserted that it would be impossible for Congress to provide a refund or rebate by Dec. 15, the date of the last payments of income taxes this year upon the earnings of 1925, while the surplus is going into debt reduction...."

THE COTTON ESTIMATE The Philadelphia Ledger to-day says: "The Government Crop Reporting Board yesterday lifted its October 25 estimate of this year's cotton crop from 17,454,000 bales to the unprecedented total of 17,918,000, which by only 6,000 bales exceeds the average guess last week of ninety-five members of the New York Cotton Exchange. Before the publication of the new figures, which are of date November 1, cotton was selling at about a dollar a bale higher than at the close of last week. Instead of 'breaking the market,' cotton remained steady in the world markets, according to advices received in Washington....Credit for the steadiness with which the cotton market received the news of an additional burden of 464,000 estimated bales is attributed to the promptness with which the President's Cotton Committee, headed by Eugene Meyer,...had met the situation by creating almost overnight nine distinct cotton finance corporations with a massed capitalization of $16,250,000 that will be able to obtain the use of all or any part of $162,500,000 from the Federal Intermediate Credit Banks....."

COTTON CRISIS IN TURKEY A Constantinople dispatch to the press to-day says: "Premier Ismid received Governors and Deputies from Adana province yesterday who brought details of the cotton crisis. It is so serious that producers are selling their properties wildly. The deputations insisted the only salvation of the industry is exceptional bank credits and possibly a moratorium. The agricultural situation in the province is aggravated by a parallel shortage of the wheat crop."

Section 2

British Prices and Cotton

A London dispatch to the press of November 8 says: "The slight decline shown by The Economist's index number of average British prices was due to the lower market for American and Egyptian cotton. In food prices, the general tendency of October had been upward. The month's slight fall leaves the percentage increase over 1914 in the general price level at 65.2. At the end of September the advance similarly compared was 65.5 and at the year's lowest point, in June, it was 57.3."

Bulb Raising in Florida

An editorial in The Florida Times-Union for November 4 says: "Among new industries which have lately been taken up in Florida bulb raising is one of the most important and also very interesting. On account of the embargo on certain bulbs from abroad impetus was given to an enterprise which had been only taken up cautiously, and was not making great headway a year or two ago. Now the opportunity appears to be splendid for great development, and already considerable acreage is devoted to bulb raising and much more extended attention is assured. It is mentioned that bulb growers of Europe, precluded from sending their procucts in, are understood to be contemplating bulb raising farms in Florida. It is said that some firms which have been in the business in Holland for two centuries past have made purchases of lands in the vicinity of the National Gardens, near Daytona Beach....Florida bulbs have, even in the short time on the market, become in great demand and sell for considerably higher prices than those which were formerly brought in from foreign countries. It is, of course, very easy to understand. that bulbs raised in this country would be the best for immediate and substantial results...."

Cotton Conditions

An editorial in The Nebraska Farmer for November 6 says: "The South is in the slough of despond--too much cotton. As usual when trouble hits the farmer in a heap, advice is forthcoming from all quarters. In this case, good advice is desirable, and practical action even more. One eastern authority, commenting upon the situation, says that 'To say that our farmers should produce less is futile. The record of the past has shown that agriculture is like a second marriage in that it is a continuous triumph of hope over experience, and even if a law limiting the acreage planted were passed, it probably would be disregarded by most of the 6,500,000 farmers to whom it would apply. To ask that the Government should buy up the surplus and dump it abroad at the expense of the producers to whom the resulting loss would be passed back is manifestly impossible in the case of cotton of which we export more than we consume.' This commentator has hit upon the two alternatives to agricultural overproduction. Unhappily, he sees little promise of relief in either of them. We do not agree with him. Considering the second alternative first: It is a fact that to attempt to remedy the cotton situation by dumping the surplus would get nowhere for the loss sustained on the surplus when distributed back to the producers would leave them in exactly the position they originally were except for the additional expense of setting up and operating the machinery for the dumping process. Also, to sell the surplus at a substantially lower price for export would place foreign countries in a position of outstanding advantage in competition with domestic manufacturers, and that would undermine the domestic wage scale, thus again curtailing the buying power of the home market. The first alternative--namely, the control of acreage, is susceptible of accomplishment, and unless this is done, such temporary relief as may

be given to the cotton growers through the extension of unusual credit will result in no permanent benefits....Meanwhile, it is apparent to anyone that a reduction in acreage and a consequent decline in production would accomplish the desired results. This action will have to be voluntary among producers, and we believe that it can be brought about. The whole subject resolves itself into orderly marketing, which implies control of production by cooperative or united action. That is the way industry and labor have maintained prices insofar as they have been maintained, and it is the way agriculture will sooner or later be obliged to avoid the recurring surpluses that work havoc with prices."

Cotton Situation

An editorial in The Journal of Commerce for November 8 says:"In pre-war days when cotton prices got as low as 8c there was always a great hue and cry from the South, and usually a rather serious situation there. Values to-day at something more than 12c are the equivalent of 8c or less in 1914, or the years immediately preceding....There are several reasons why the South is in a better position than formerly to stand up under low cotton prices. One of them is that for two or three years fairly good crops and other conditions have enabled the people of these States to take care of their more pressing obligations and to build up a pretty sound condition of health, so to speak. This is conspicuously to be observed when comparison is made with the situation existing during the years immediately following the break of 1920. But there are other causes. The past season has been distinctly favorable to crops in the South other than cotton. In a good many sections a fairly liberal acreage of feed crops and the like was planted. The combined result is that cotton planters will be forced during the next twelve months to buy a good deal less from farmers in the West than has often been the case in the past. Then, too, steadily and rapidly the South has been industrializing itself during the past decade....These enterprises are now proving and are likely to prove a distinctly useful anchor to the windward. In short, the South is finding itself in a position to reap some of the benefits of a diversified economic life..."

Hoover Urges Waste Reduction

Further improvement in the material condition of the people of the United States can come only through better utilization of industrial resources and effort, Herbert Hoover, Secretary of Commerce, declared, in excerpts from his annual report made public November 7. The goal of all in the economic field, he said, should be the elimination of waste, if American standards of living are to advance. Mr. Hoover felt it necessary to remark that the objective which he set for statesmanship and industry was a worthy one. "The moral and intellectual progress of the Nation," he said, "is not the offspring of poverty or low-living standards." He also explained that by waste elimination he meant not an attack upon individual conduct or single plant methods in any industry, but a whole array of activities that lead to attainment of a single end--increased material productivity and more direct distribution of output.

Industrial Profits

William P. Helm, writing in the Washington Post of November 8, says:"....There are twelve leaders in the market place of America who have drawn away this year from all rivals. Combined, these 12 concerns will make for themselves and their stockholders a clear profit of $1,000,000,000 in 1926. Out of every dollar made in profits by all the corporations of the United States these twelve will take a dime.

Four hundred and odd thousand rivals will split the other 90 cents. These 12 companies, in the order of their leadership, are: General Motors Corporation; Standard Oil Company of New Jersey; United States Steel Corporation; American Telephone and Telegraph Company; Ford Motor Company; Pennsylvania Railroad system; Standard Oil Company of Indiana; Atchison, Topeka & Santa Fe Railway Company; New York Central Railroad system; Standard Oil Company of New York; Standard Oil Company of California; General Electric Company. These are the giants of industrial America. They center, it will be noted, around transportation. All, save two, the American Telephone and Telegraph Company and the General Electric Company, cater, in some form, to the transport of persons and property. Of these two exceptions, the former controls facilities for transportation of the spoken word and the latter produces about one-fourth of all the electrical goods manufactured in the United States...."

Population and Consumption

An editorial in The Wall Street Journal for November 6 says: "Five years have made a great change in the consuming power of the United States. Between 1920 and 1925 the population has increased about 10,300,000. In that rate of increase lies a challenge to production, which at present is greater than consuming power. If we were told that in the next six years the population of Canada and Australia were to be added to this country we would refuse to credit the statement. Yet the increase in our numbers from 1920 to the present day just about approximates such a total. What does that mean to the future business of the country? Put the question to any father who has watched a small boy develop and noticed his increasing capacity to store away food and wear out shoes, clothing and toys. That five-year increase means a market for 40,000,000 bushels more of wheat every year, and every year hereafter at present rate, it will increase nearly 8,000,000 bushels. To feed the people as well as in 1920 we must have from 35,000,000 to 40,000,000 bushels more potatoes, and every year the increase will be about the same as wheat. Our consumption of meat and lard in 1925 was 168 pounds per capita. At that rate the potential market for meat and lard is 1,700,000,000 pounds larger than in 1920. This means that a much longer procession of cattle, hogs and sheep must go through the packing house. It would be tiresome to go through the whole list of food products show the increase in potential consumption. However, the rate of increase is to be carried through all the line. There is a market for milk, butter, eggs, poultry, cereals, fruits and vegetables 10 per cent greater than in 1920, estimating by the number of consumers without regard to any difference in purchasing power. With such an increase in the number of mouths to be fed what is to become of the surplus problem in the near future? That issue, so dear to the heart of the politician, must soon disappear, eaten up as it were, unless the producers struggle to keep their present lead....In this rapid growth of population, therefore, is to be seen the surest solution of the problem of embarrassing surpluses--the capacity to eat them up."

Prices

A New Haven dispatch to the press of November 8 states that Professor Irving Fisher's index number of American commodity prices for the past week, based on 100 as the average of 1913, is 153.5, comparing with 150 for the week before, 148.4 two weeks before, 148.1 three weeks before and 147.4 four weeks before. This week's average is the highest since June 12, when it stood at 153.6. The lowest average for the

year to date was 147.2, on Aug. 21, which was also lower than any reached in 1925; the highest thus far in 1926 was 159.7, on Jan. 30.

Section 3
MARKET QUOTATIONS

Farm Products

Nov. 8: Livestock quotations at Chicago: Top price of hogs at $13 and bulk of sales at $11.75 to $12.75.

New York sacked Round White potatoes $2.85-$3.20 per 100 pounds in eastern markets; $2.60-$2.65 f.o.b. Rochester. Northern sacked Round Whites nominally $2.35-$2.45 on the Chicago carlot market; $2.25-$2.50 f.o.b. New York Baldwin apples $3-$3.50 per barrel in New York City; $2.75 f.o.b. Rochester. Illinois and Michigan Jonathans $4-$4.50 in Chicago. Onion prices on New York sacked Yellows at $1.65-$2.10 per 100 pounds in eastern markets; $1.50-$1.65 f.o.b. Rochester. Midwestern yellows $1.50-$2.10 in consuming centers; $1.45-$1.65 f.o.b. New York Danish type cabbage at $22-$25 bulk per ton in terminal markets; $16-$17 f.o.b. Rochester. Wisconsin Danish type $25 in Chicago & $20 f.o.b. Racine.

Average price of Middling spot cotton in 10 designated spot markets advanced 14 points, closing at 12.10¢ per lb. December future contracts on the New York Cotton Exchange advanced 15 points, closing at 12.34¢, and on the New Orleans Cotton Exchange they advanced 17 points, closing at 12.49¢.

Closing prices on 92 score butter: New York 49 1/2¢; Chicago 47 1/2¢; Philadelphia 50¢; Boston 47¢.

Closing prices at Wisconsin primary cheese markets: Single Daisies 24¢; Longhorns 24 1/4¢; Square Prints 25 1/4¢.

Grain prices quoted: No.1 dark northern Minneapolis $1.44-$1.50. No.2 red winter St.Louis $1.42. No.3 yellow corn St.Louis 68¢; Minneapolis 71¢. No.3 white oats St.Louis 43¢; Minneapolis 42¢. (Prepared by the Bur. of Agr. Econ.)

Industrials and Railroads

Average closing price	Nov. 8,	Nov. 6,	Nov. 7, 1925
20 Industrials	154.78	153.03	158.48
20 R.R. stocks	119.53	118.96	103.87

(Wall St. Jour., Nov. 9.)

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DAILY DIGEST

Prepared in the United States Department of Agriculture for the purpose of presenting all shades of opinion as reflected in the press on matters affecting agriculture, particularly in its economic aspects. Responsibility, approval or disapproval, for views and opinions quoted is expressly disclaimed. The intent is to reflect accurately the news of importance.

Vol. XXIII, No. 35 Section 1 November 10, 1926.

GEORGIA WITHHOLDS COTTON An Associated Press dispatch to-day from Atlanta says: "Georgia will begin immediately withdrawal of 300,000 bales of cotton from the market for eighteen or twenty-four months, or until the market is satisfactory, to relieve the situation brought about by the low price of the staple. The financing has been arranged by Georgia banks without calling on the Government financial agencies to furnish funds for advances to cotton growers who place their cotton in the holding pool. Five of Atlanta's largest banks have underwritten a $12,000,000 fund to finance the holding movement, which also is for the purpose of marketing the 300,000 bales in orderly fashion."

IOWA BANKS CLOSE An Associated Press dispatch to-day from Spencer, Iowa, says: "Three national banks at Spencer, Webb and Royal, Iowa, each known as the Citizens National Bank, and three State banks, one at Spencer, another at Terril, and a third at Fostoria, controlled by J.H.McCord, were closed yesterday. National bank examiners and the State Banking Department have taken charge."

BUTTER AND EGG FUTURES The New York Times to-day reports that members of the New York Mercantile Exchange voted yesterday to continue trading in butter and eggs futures under a modified plan. The vote against the present rules was 106 to 96. The members voted 101 to 65 affirmatively on the question: "Do you favor trading in futures, provided the clearing house committee directs that no trading in 'storage packed firsts' for April, May or June delivery or trading in 'refrigerator firsts' for October, November or December delivery be permitted before March 15?"

RUSSIA WANTS AMERICAN COTTON A Moscow dispatch to the New York Times to-day says: "The price of American cotton is being followed with the keenest attention here. It is a matter of the greatest importance to Soviet economic plans because raw cotton is the largest single import, averaging nearly $50,000,000 in the last two years, and because a supply of cheap cotton fabric for the peasants is one of the keynotes of the present administration policy. A plan to purchase a very large quantity of cotton is being seriously considered by the Soviet authorities...."

BURLEY TOBACCO PLAN A Lexington, Ky., dispatch to the press to-day reports: "The Burley Tobacco Growers' Cooperative Association last night announced that this year's crop will be sold at public auction as well as privately. The rule for five years had been that all pool leaf must be sold privately. The new order will put into circulation earlier millions of dollars of the more than 115,000 members in Kentucky, Ohio, Missouri, Tennessee, West Virginia, Indiana and Virginia. It also marks the entrance of the pool into active competition with the independent market. President Stone said the contract permits the sale of the tobacco in this way and there will be no deviation from the contract...."

Section 2

Agricultural Students and Modern Farms

An editorial in The Florida Times-Union for November 6 says: "That half of a student body of five thou. farm boys now in college in Chicago plan to return to the farm. was the statement made by Harold C. Lewis, an eminent educator who has made a close study of the situation. He does not believe that all of the 2,500 boys indicated will do as they are planning, but nearly all of the number indicated now making a specialty of electrical construction and engineering, want to get back into the rural districts when their courses are completed. They are greatly interested in radio--which has done wonders in making the farm a real part of the big world--and they are also concerned over the adaptation of electricity to many and various uses on the farms. Mr. Lewis, asked if radio was mainly responsible for this very great change in the desires of the average country boy, off at school, said that the high wages that radio installation secured was a greater incentive than the amusement expected from radio concerts. Thousands and thousands of country boys have been making money selling and installing radio equipment, and they seem to be making a success of it. Five years ago, the educator said, more than half the boys at school or attending college in the city from the farms, planned to remain in the city...."

British Farm Research

An editorial in Country Life (London) for October 30 says: "Farmers will devour with relish--we hope also with gratitude--and the public ought to read for its intrinsic interest, the record of the last five year's work just issued by the Ministry of Agriculture, with the title 'Research and the Land'....Since the war the very complicated business of organizing scientific effort has been put on a proper basis in this country. The work of the scientific wings of the three agricultural departments, of the research institutes (whether attached to the universities or independent bodies) and of the advisory officers of the agricultural colleges has been co-ordinated and enlarged to cover the problems of soil and plant and beast in all their aspects....We have noted but a few directions in which the beneficent efforts of science are producing results for the farmer, which are practical in application and economic in effect. We stress these words because the idea dies hard that the agricultural researcher has his head too much in the cloud and his feet too little on the fields and the byre. There will always be the 'fundamental' scientist, like the late Doctor Bateson, who works at problems with small regard to their economic result, and establishes principles of enormous value. It will be a bad day when great honor is not given to such men. But we have a great school of practical research adorned by such names as Sir Daniel Hall, Sir Rowland Biffen and Sir John Russell, and it is to them that we look with confidence to direct and garner the achievement of a band of workers who are applying new discoveries to the daily practice of the farm."

Business Outlook

Changes in the aspect of business are noted by the American Bankers Association Journal which says in part: "The outlook for business has recently taken on an unusually interesting aspect. After the talk of prosperity for so long, we find a number of unfavorable factors now developing. The situation hangs in the balance and at the moment there is not sufficient evidence to decide whether the trend has definitely turned downward. This does not mean to infer that anything very serious has taken place so far; on the contrary, the wheels of production and trade are moving faster and more smoothly to-day than ever before. There

seem good reasons, however, to believe that some of the key industries have been operating at a higher rate than can be kept up indefinitely and that we are destined to have somewhat less active business during the next year or so than prevailed during 1925 and 1926....Of the unfavorable factors referred to, the fall in cotton prices has attracted the most attention. It has been variously estimated that the consequent loss to the cotton producers will be several hundred million dollars, that present prices are below the cost of production and that many growers will not even recover the value of seed and fertilizer purchased--in many cases not yet paid for. There is a widespread movement on the part of individuals and associations to hold the cotton for higher prices and to curtail next year's acreage. No one can doubt that this has been a blow to the South, and considering also the fact that tobacco prices have recently experienced a severe break, which was obscured by all the excitement about cotton, and the setback in realty expansion caused by the Florida hurricane, that section will have a greatly reduced purchasing power. Conditions have already been reflected by a falling off in wholesale and retail sales, and campaigns have been started urging a drastic curtailment in purchases of automobiles and other articles on the installment plan."

Cotton Market

An editorial in The Wall Street Journal for November 6 says: "Sales of cotton in the concentration markets of the South are showing a considerable increase over a week or two ago. At the same time the price has advanced. Only one interpretation can be placed on this. Owners of cotton are not on their knees begging people to take their goods, and consumers are seriously asking themselves if the bottom has not been reached. Whether or not the low mark for the season has been reached is a matter for every one to judge for himself. One thing is certain, that increasing sales, with a stiffening of the basis, do not indicate that sellers are as anxious to dispose of their cotton as consumers are to purchase. There is plenty of reason for this. Exports to the end of October were 2,339,636 bales, against 2,186,565 a year ago. Cotton has been hurrying to the ports at an unusual rate. The port receipts up to the end of October were 4,626,513 bales, compared with 3,596,900 a year ago, and the stocks on hand show that it is rapidly going out. World takings by spinners are larger than a year ago, with all the gain in foreign takings....The price for strict low middling was 99 points off that of middling cotton. One of the lower grades of stained and tinged cotton was 522 points below the middling. At this price there is no encouragement for picking much of the cotton still in the fields. The fact is middling cotton, in spite of the huge crop, is comparatively scarce. Spinners in the United States have not taken as much cotton as a year ago, while they are operating apparently at a higher percentage of activity. They, too, must come in the market for much more cotton than they are now taking out of the supply. There is, therefore, considerable reason for the strengthening attitude on the part of producers."

France's Foreign Trade

During the first nine months of 1926, France's trade with foreign countries aggregated for imports 39,243 million francs and for exports 36,297 million francs while trade with French colonies and protectorates, according to advices received by the Bankers Trust Company of New York from its French information service, totaled 5,048 million francs for imports and 6,411 million francs for exports. The

visible balance from January to September thus shows a deficit of 2,946 million francs as regards foreign trade, while trade with the colonies, on the contrary, shows a surplus of 1,363 million. When compared with the figures for the corresponding period of 1925, imports from foreign countries show an increase of 12,930 million francs and exports of 8,347 million francs; although for the corresponding period of 1925 the balance was favorable, exports exceeding imports by 1,637 million francs.

Grain Rates

The press November 9 reported that an increase in rates on grain from western North Dakota to Chicago and St.Louis over the Northern Pacific Railroad was suspended by the Interstate Commerce Commission November 8 until March 8, 1927. The commission will investigate the justice of the increases, which were to have become effective November 8. The commission said that the present rate to St.Louis on wheat is 44 cents per 100 pounds and on corn 39½ cents per 100 pounds. It would be raised to 45 cents on wheat and 43½ cents on corn.

Raisin Industry

Commerce Monthly (New York) for November contains an article on "Raisins and the Imperial Preference." This says: "For the first time in six years the California raisin industry appears to be free of a cumbersome carryover of old stock as the new season opens. This fact places the industry in the soundest position since the close of the war. At that time an unusually heavy export demand was providing an outlet for the rapidly increasing production in California. Curtailment of exports without a corresponding decline in the output of raisins or increase in domestic consumption loaded the market with heavy stocks. These stocks were liquidated with difficulty in the face of continued heavy crops, in spite of the recovery of foreign demand to a point where exports overtopped the best wartime season. Shipments of large quantities of raisin grapes fresh for table use in recent years have helped to ease the situation as has stimulation of domestic demand through low prices and the development of new products. Just as the industry was beginning to work out of its difficult position the success of the Australian Government in securing for its own growers preferential tariff treatment in the United Kingdom and Canada threatened to cut down the accustomed share of the United States in its main export markets. A year of full preference in both countries, however, has failed to show the damaging results feared and the present outlook for the marketing of California raisins is distinctly favorable....."

Trade Relations

For the purpose of properly and effectively presenting the viewpoint of American business men on world trade problems, Owen D. Young, chairman of the American Committee of the International Chamber of Commerce, November 9 urged affiliated organizations in this country to send a large and representative delegation to the general meeting of the chamber to be held at Stockholm, Sweden, next June. A report making definite recommendations for the elimination of trade barriers will be the main topic for consideration at this world wide gathering of business men. Mr. Young points out that the Stockholm meeting "will bring together business men of the forty countries represented in its membership. It will address itself to important economic problems of worldwide interest in the correct solution of which no one has a greater concern than the business men of the United States."

Section 3
MARKET QUOTATIONS

Farm Products Nov. 9: Chicago quotations as of November 9: Hogs, top, $12.65, bulk of sales $11.50 to $12.60. Beef steers, choice, $9.85 to $12.15, good $9.35 to $11.60, medium $7.75 to $9.85, common, $6.25 to $7.75. Heifers, good and choice $7.50 to $11.25, common and medium $5.75 to $8.75. Cows, good and choice, $5.50 to $7.25, common and medium $4.25 to $5.50, low cutter and cutter $3.50 to $4.25. Vealers, medium to choice, $9.50 to $12.50, heavy calves, medium to choice, $6 to $8.50. Stocker and feeder steers, common to choice, $5.50 to $8.50. Fat lambs, (light and handyweight) medium to choice, $12.50 to $14.40, yearling wethers, medium to choice, $9.75 to $12.75, fat ewes, common to choice, $4.75 to $7, feeding lambs, medium to choice, $11.50 to $13.75.

New York wholesale quotations on western dressed, good grade meats, as of November 9: Steer beef $15 to $17, veal $19 to $22, lamb $25 to $27, mutton $13 to $15, light pork loins $25 to $28, heavy loins $21 to $25.

New York sacked Round White potatoes $2.85-$3.20 per 100 pounds in eastern cities; $2.65-$2.70 f.o.b. Rochester. Wisconsin sacked Round Whites $2.35-$2.45 carlot sales in Chicago. New York Rhode Island Greening apples $3-$3.25 per barrel in New York City, $2.75-$3 f.o.b. Rochester. Baldwins $2.50-$3. Michigan and Illinois Jonathans $4-$4.50 in Chicago. New York yellow onions $1.60-$2.10 sacked per 100 pounds in eastern markets; $1.50-$1.65 f.o.b. Rochester. Midwestern yellows $1.35-$2.10 in consuming centers. New York Danish type cabbage $20-$25 bulk per ton in eastern terminal markets; $15-$16 f.o.b. Wisconsin stock $25 in Chicago and $20 f.o.b. Racine.

Grain prices quoted: No.1 dark northern Minneapolis $1.43-$1.50. No.2 hard winter Kansas City $1.40. No.2 yellow corn Kansas City 75 cents. No.3 yellow corn Minneapolis 72 cents. No.3 white oats Minneapolis 42 cents; Kansas City 44 cents.

Cotton: Average price of Middling spot cotton in 10 designated markets unchanged at 12.10¢ per lb. December future contracts on the New York Cotton Exchange advanced 1 point, closing at 12.35¢, and on the New Orleans Cotton Exchange they declined 6 points, closing at 12.43¢. (Prepared by Bu. of Agr. Econ.)

Industrials and Railroads	Average closing price	Nov. 9,	Nov. 8,	Nov. 9, 1925
	20 Industrials	154.82	154.78	158.48
	20 R.R. stocks	119.09	119.53	103.87

(Wall St. Jour., Nov. 10.)

DAILY DIGEST

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Vol. XXIII, No. 36 Section 1 November 11, 1926.

GRAIN BOYCOTT ADVOCATED

A Des Moines dispatch to the press to-day reports: "Boycotting of the Chicago grain market and shipping of grain to Iowa market centers was advocated yesterday by J.G. Mitchell, secretary of the Iowa Agricultural and Industrial Commission, named by Governor John Hammill as a means whereby grain growers might protect themselves against allegedly unfair marketing practices of the Chicago Board of Trade. Mr. Mitchell said that apparently the Secretary of Agriculture had obtained information which neither the Directors of the Board of Trade nor the Illinois Commerce Commission had been able to reach, adding: 'He has filed charges which involve the violation of almost every important law affecting the grain trade, but has been checked by suit in the Supreme Court of the District of Columbia seeking to enjoin hearing upon his complaint.'"

MARSH ON AGRICULTURAL RESOURCES

The Baltimore Sun to-day reports that Benjamin C. Marsh, managing director of the Farmers' National Council, spoke yesterday before Dr. Broadus Mitchell's class in economics at the Johns Hopkins University. American agricultural and forest resources are sufficient to maintain a domestic population of 312,000,000, Mr. Marsh said, and, with intensive development, would maintain 519,000,000. "The American farm plant not only is overdeveloped but greatly overcapitalized," the speaker asserted.

INTERNATIONAL TRADE SINCE ARMISTICE

The Associated Press reports to-day from New York: "The world has fallen short by more than $210,000,000,000 of the total of merchandise exports it would have added to international trade if it had not been for the World War, according to estimates contained in an 'Armistice Day accounting,' issued by the National Foreign Trade Council. Due to the 'economic dislocation' caused by the war, says the accounting, which is based on the foreign trade of seventy nations which do more than ninety per cent of the world's export trade, the world only succeeded last year in getting back to a 1913 basis, for the first time since the war. These nations had an export trade in 1913 valued at $19,426,000,000. Last year the figure was $29,970,000,000, but at 1913 buying power this amounts only to $19,950,000,000. The amount of world trade there would have been had there been no war was reckoned by the rate of advance from 1900 to 1913, which amounted to 6½ per cent annually. To meet the setback caused by the war, it was said, world trade now has accelerated its pace and for the last three years the advance has been more than ten per cent annually. Even at this rate, however, it will take thirty years to make up for what has been lost.

"Even this country, which has gained almost thirty-two per cent in real exports since 1913 and has made the greatest gain of all nations in volume of trade acquired, is still more than $2,000,000,000 behind the export trade it would have had if the pre-war gain had been uninterrupted. The accounting records a distinct shake-up in 1913 alignments of trade power among the seventy nations....."

Section 2

Barnes on Agriculture

A brightening horizon for agriculture, as well as other industries, is painted by Julius H. Barnes, former president of the Chamber of Commerce of the United States and Wheat Administrator during the war, in an address delivered before the National Association of Farm Equipment Manufacturers. The real hope for agriculture, says Mr. Barnes, lies largely in the adaptation to farming of organization and machine economics which have successively strengthened other industry. "American agriculture", he added, "is a term too often generalized, and generalizations defeat the study of special problems which lead to remedies. The area of distress shifts from crop to crop, and year to year. The unprofitable commodity of to-day becomes the farm income of tomorrow. Three years ago the area of distress was wheat. It was loudly asserted that by force wheat must be put back to its pre-war price relation with the general commodity index. Government was to be dragged into an intricate and complicated trading operation to make this correction. Fortunately, Congress refused to inject Government into business and almost at once the play of natural forces carried the price of American wheat above the commodity index and has for three years maintained it there. The wheat farmer of to-day, except in areas of crop failure, has no complaint as to the level of price or net returns. Again this year we have authentic instances of Kansas land paid for completely with the proceeds of this single crop just harvested. The profitable level of wheat returns to the farm this year is a world price. The passing national philosophy that wheat production should be limited to domestic consumption alone is a generalization which is not always sound. The test should be, can America grow a wheat surplus and secure an adequate farming profit on both domestic and foreign consumption? Also, for the first time in five years, wheat will realize the advantage of its proximity to Europe's consuming markets. To-day ocean carriage rates are once more in the profit area, and America's short 3,600 miles, against Argentine's 6,200 and Australia's 11,000 miles, will reflect to American wheat its distinct advantage. Also the American Pacific Coast is to-day beginning to realize its advantage of proximity to the expanding wheat consumption of Asia and the Orient....."

Business Conditions

Theo. H. Price, in his weekly review of business conditions in Commerce and Finance for November 10, says: "The money markets are well balanced and with the resources of the Federal Reserve Banks still almost untouched and security market needs declining, no advance in rates is to be expected other than the seasonal firming that comes with the holidays. Car loadings are still at the peak for all time and trade volume continues high with mixed conditions reported only in the South and Southwest as a reflection of the low price of cotton. But cotton represents a comparatively small proportion of the South's purchasing power, good prices are being received for tobacco and the truck produce that are her other principal agricultural products, the big crop assures greater earnings to all who handle it and greater mill activity, and the lower prices for goods will expand their consumption as well as leave a greater share of the income of other parts of the country for other purchases. And as the market demonstrates that farmers will hold their cotton at present levels, while many mills are covering their requirements far ahead, the first panic that attended the price drop is departing from both the South and purveyors

to it....Fifteen small private banks in Michigan were closed last week as a result of frozen loans, bad crops and a steady withdrawal of deposits, but eighteen of Florida's 39 banks closed in the collapse of the land boom have been reopened."

Farm Theft Law Urged A Syracuse, N.Y., dispatch to the press of November 10 says: "Necessity of a State law to prohibit trespassing on farm property by city motorists, with resulting vandalism and stealing of farm products, was urged November 9 by Peter G. Ten Eyck of Albany at the opening session of the eleventh annual convention of the New York State Farm Bureau Federation. Mr. Ten Eyck, who is president of the federation, declared that depredations by motorists on farmers' property caused an annual loss of $1,000,000 in stolen fruit, vegetables and other products in addition to destruction of permanent property...."

Grain Market Study "The New York Grain Futures Market offers a splendid opportunity to the ambitious man who is willing to make a study of world conditions as they affect the production and consumption of wheat and other grains," said B.H.Wunder, president of the New York Produce Exchange, in an address before the Men's Club of Trinity Episcopal Church, Bayonne, N.J., November 9. "The successful trader in grain is like the successful person in any other line of endeavor--he knows his job. He makes it his business to find out all he can about conditions affecting supply and demand, and with this knowledge for a guide he shapes his course in the market." Mr. Wunder said that the grain trader performs an important economic function in the financing, harvesting and marketing of the crop and helps to establish what is a fair price based under the inexorable law of supply and demand. He explained that the New York Grain Futures Market had been organized with a basis of deliveries at Buffalo in response to a wide demand on the part of the grain trade for a hedging market in the East, where the exact commercial value of both American and Canadian grain would be reflected at all times. (Press, Nov. 10.)

Grain Wealth An editorial in The Iowa Homestead for November 4 says: "Some idea of the wealth produced by the great prairies of the American Northwest may be formed from the fact that a train a mile and a half long, consisting of 202 cars loaded with a portion of the West's golden harvest of grain, arrived at the Superior Great Northern yards from Carlton, Minnesota, recently. The shipment was by far the biggest that has arrived there this season and is one of the most valuable ever to arrive at the Twin Ports. Estimates placed the number of bushels of grain on the train between 300,000 and 360,000, which, at the present quotations have a valuation of approximately $450,000. Following the record breaking trainload, a total of 384 carloads of grain were received at Superior in one day. Included in these shipments were 256 cars of wheat, one car of bonded wheat, one car of oats, 31 cars of rye, 89 cars of barley, and six cars of flax. Boat shipments on the same day were correspondingly heavy. The shipments of grain included 101,020 bushels of wheat, 140,500 bushels of rye and 150,000 bushels of barley. With nearly half a million dollars' worth of wheat on a single train, one could not fail to be impressed with the mighty resources of the great prairie empire of the Northwest as thus revealed."

Production Restriction

Theodore Price, writing on the restriction of sugar production in Cuba, in Commerce and Finance for November 10, says: "Under the caption 'Curtailment' the following recently appeared in the New York Sun: 'The man who can steer a straight course through the maze of production restriction schemes throughout the world would do well to tell others how he does it. We hear gentlemen denouncing on the one hand restriction schemes as nefarious and proposing others which certainly appear to be the same thing in substance. British rubber restriction, we are told, is iniquitous, but cotton restriction is obtaining Government and private support. Sugar men advocate Cuban Government sugar restriction schemes, but seem to smell a violation of the American anti-trust law in suggested plans for world-wide sugar curtailment. Many economists and practical business men feel that the only safe course to follow is to let supply and demand act in unhampered fashion. Overproduction brings selling prices which quickly settle the matter of output.' It is time that the issue thus raised should be met broadly and with regard to the politico-economic principles involved rather than with reference to local or natural self interest... In so far as the political aspect of the question is concerned it is quite obvious that it depends upon whose ox is being gored. Therefore we have the tire manufacturers of the United States protesting against the action of the British Colonial Office in restricting exports of rubber while President Coolidge is appointing a committee to mobilize the Nation's credit so that the southern farmers can hold their cotton until consumers shall be compelled to pay more for it. The palpable inconsistency thus brought into relief is a sufficient answer to those who assert that what is sauce for the American goose should not be served with the foreign gander. But to claim it is unmoral, if not immoral, to interfere with the law of supply and demand raises an issue that calls for more serious consideration. Perhaps the discussion will be clarified if it is pointed out that the law of supply and demand is not a law at all in the sense that the word is generally used to describe an edict issued by an authority that has the power to compel obedience by punishing disobedience. It is simply a phrase which expresses our recognition of two facts; one is that production is curtailed or ceases when it becomes unprofitable, and the other is that production increases or is resumed when it again becomes profitable...."

Soya Beans in Italy

A Spoleto, Italy, dispatch to the press of November 10 states that successful cultivation of Oriental soya beans has been carried out there as part of a scheme to overcome Italy's dependence upon imported wheat in order to satisfy the bread needs of the Nation. Experiments carried out on the estate of the Marquis Marignoll show the soya bean can be grown in seventy-five days on wheat land, which otherwise would lie fallow between crops. The report says: "Professor Mossello has discovered a means of improving the taste of the soya bean so it can be easily mixed with wheat, forming a palatable combination. It is estimated Italy can become independent of foreign wheat by mixing 20 per cent of soya flour with ordinary wheat flour."

Texas Products

Farm and Ranch for October 30 says: "California and Florida have been known as the gardens of America for many years, but now comes Texas making a successful bid for attention and a part of the business. For several years Texas shipments of special crops, such as fancy tomatoes, Bermuda onions, watermelons, spinach, cabbage and other vegetables and fruits, have been increasing until this season shipments

to local market centers and to other States will approximate 60,000 carloads. Sixty thousand carloads mean 1,500 trains of forty cars each--vegetables and fruits in such quantity that it is hard to grasp its significance. Texas, with its sub-tropical area in the lower Rio Grande; its mild climate along the coast and its great diverisity of soils in all sections, should in a very large measure supply its own markets and ship to the great markets of the Middle West and North even a greater number of carloads than are now shipped annually.... Texas growers have wonderful opportunities to specialize and splendid markets in which to sell. The industry is developing, and although some may be impatient because progress is not more rapid, the day will come when the hundreds of thousands, probably millions of dollars, now going to California and Florida from the Central and North Central States will be sent to Texas."

Section 3

MARKET QUOTATIONS

Farm Products

Nov. 10: Livestock quotations at Chicago: Top price of hogs at $12.50 and bulk of sales at $11.50 to $12.40.

New York sacked Round White Potatoes $2.85-$3 per 100 pounds in eastern cities; $2.60-$2.65 f.o.b. Rochester. Wisconsin stock $2.40-$2.55 on the Chicago carlot market and mostly $2.25 f.o.b. Waupaca. Virginia yellow sweet potatoes in most markets, $1.50-$2.25 per barrel in the East. Tennessee Nancy Halls $1-$1.15 per bushel hamper in Chicago. Danish type cabbage from Wisconsin $25 bulk per ton in Chicago and at $20-$22 f.o.b. Racine. New York stock ranged $20-$25 in eastern cities and $15-$16 f.o.b. Rochester. Apples, Eastern Yorks $2.50-$3 per barrel in city markets and $2.50 f.o.b. Potomac Valley points. Michigan and Illinois Jonathans $4-$4.50 in Chicago.

Closing prices on 92 score butter: New York 49 1/2¢; Chicago 48¢; Philadelphia 50 1/2¢; Boston 47¢.

Closing prices at Wisconsin primary cheese markets Nov. 9: Single Daisies 23 3/4¢; Double Daisies 23 3/4¢; Longhorns 24 1/4¢; Square Prints 25 1/2¢.

Average price of Middling spot cotton in 10 designated markets declined 4 points, closing at 12.06¢ per lb. December future contracts on the New York Cotton Exchange declined 7 points, closing at 12.28¢, and on the New Orleans Cotton Exchange they declined 4 points, closing at 12.39¢.

Grain prices quoted: No.1 dark northern Minneapolis $1.42-$1.48. No.2 red winter St.Louis $1.41. No.2 hard winter Chicago $1.44; Kansas City $1.40. No.2 yellow corn Chicago 70¢; Kansas City 76¢. No.3 yellow corn Chicago 69¢; Minneapolis 72¢; St. Louis 68¢. No.3 white oats Chicago 43¢; Minneapolis 42¢; St.Louis 44¢. (Prepared by Bu. of Agr. Econ.)

Industrials and Railroads

Average closing price	Nov. 10,	Nov. 9,	Nov. 10, 1925
20 Industrials	153.41	154.82	151.60
20 R.R. stocks	118.42	119.09	103.23

(Wall St. Jour., Nov. 11.)

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DAILY DIGEST

Prepared in the United States Department of Agriculture for the purpose of presenting all shades of opinion as reflected in the press on matters affecting agriculture, particularly in its economic aspects. Responsibility, approval or disapproval, for views and opinions quoted is expressly disclaimed. The intent is to reflect accurately the news of importance.

Vol. XXIII, No. 37 Section 1 November 12, 1926

THE PRESIDENT ON ECONOMICS AND NATIONAL DEFENSE President Coolidge, in his Armistice Day address at Kansas City yesterday, said:"....It is doubtful if in the present circumstances of our country the subject of economy and the reduction of the war debt has ever been given sufficient prominence in considering the problem of national defense. For the conduct of military operations either by land or sea three elements are necessary. One is a question of personnel. We have a population which surpasses that of any of the great powers. Not only that, it is of a vigorous and prolific type, intelligent and courageous, capable of supplying many millions of men for active duty. Another relates to supplies. In our agriculture and our industry we could be not only well-nigh self-sustaining, but our production could be stimulated to reach an enormous amount. The last requirement, which is also of supreme importance, is a supply of money. It is difficult to estimate in figures the entire resources of our country and impossible to comprehend them. It is estimated to be approaching in value $400,000,000,000....."

DAIRYMEN ASSAIL TARIFF An Associated Press dispatch November 11 from Cleveland, Ohio, says: "The 'expert' machinery of the Tariff Commission is failing to protect the American dairy farmer, John D. Miller, president of the National Cooperative Milk Producers' Federation, declared November 10 in an address before the tenth annual meeting of the organization. Mr. Miller urged that the federation go on record as favoring the repeal of the flexible provisions of the Tariff act of 1922 and the abolition of the Tariff Commission. 'The business of the country can in due time adjust itself to tariff rates, high or low, but can not adjust itself to frequent changes of rates, nor to the menace of continual changes,' he said. He cited a ruling of the commission by which a protective tariff of 12 cents a pound on butter was virtually nullified by a lower tariff on whole milk and cream."

A dispatch to-day from Cleveland says: "Pleading for increased tariffs on certain dairy products to offset the importation of fats from the Philippines and other foreign countries, the National Cooperative Milk Producers Federation yesterday called upon the Tariff Commission for a prompt report on adjustment of the rates on milk and cream. John D. Miller, Susquehanna, Pa., was reelected president of the federation and Charles W. Holman, Washington, secretary. "

GRAIN EXPORT CASE The Federal Trade Commission yesterday issued the following announcement: "The Federal Trade Commission has dismissed its complaint involving the Barnes-Ames Company, of New York City, and its subsidiary sales and shipping agent, the Barnes-Irwin Company, of Philadelphia. The complaint had to do with certain shipments of grain in the export trade." The press to-day comments: "This brief notice was the sole public statement or explanation made in reference to the dismissal of a complaint formulated against the grain exporters by the commission itself as the result of charges made by the Italian Government that it had been sold wheat of an inferior quality."

Section 2

Cotton Buying Opportunities

An editorial in The Wall Street Journal for November 11 says: "Opportunity knocks at the door of the cotton spinner. The official estimate of the cotton crop as of November 1 is 17,918,000 bales, compared with 16,103,679 a year ago. With a world carryover of more than 5,000,000 bales the total supply of American lint cotton is greater than ever known before, while the price also is lower than at any time since the summer of 1920. Rarely is such an opportunity offered to the manufacturers of cotton here and abroad. The Crop Reporting Board has advices of abandonment of crops and says: 'A very large crop is assured; there still remains uncertainty with regard to the quantity that will be left unpicked.' In the opinion of the board the question of abandoned fields is an important matter which will appear in the final figures. But at least we know that practically an 18,000,000-bale crop has been raised, and it is to be hoped that all will be picked and ginned. The world, in time, can use it. A crop of this size should result in about 1,000,000 bales of linters; so with that figure in mind comparison with the past season can be made. Mills of the United States in the season of 1925-1926 consumed 7,200,000 bales of lint and linters, while the rest of the world used 8,165,000 more. Total consumption approximated 15,400,000 bales of a crop that sold at least $40 a bale higher than the present one. In November, 1925, spot cotton at New York, middling basis, averaged 19.43 cents a pound. Now it is around 12.60. While the raw material is so abundant and price so low, there seems a demand for finished goods. The Cotton Textile Association reports goods on hand equal only one month's consumption. That surely is a small stock to stand between the producer and the consumer of goods. There is every reason to believe that more than 7,200,000 bales of lint and linters will be required for American mill consumption this current season. Opportunity stands outside the door of the spinner and knocks long and loud. If he is alive to his interest he will heed the call and buy far ahead for future needs."

Cotton Farms

An Atlanta dispatch to the press of November 11 reports: "Cotton farms of the South 'will be owned by the land banks and big insurance companies if present conditions continue,' Edward A. O'Neal, president of the Alabama Farm Bureau Federation and vice president of the American Farm Bureau Federation, told delegates at the concluding session November 10 of the southern convention of the National Fertilizer Association. Mr. O'Neal said this condition has already been seen in Georgia, where 'many farmers say it is much cheaper to rent than to own land. The hazard of production and marketing is so great as to make it prohibitive to own and pay interest on it.'"

Cotton in Texas

A dispatch from O'Donnell, Tex., to Manufacturers Record of November 11 says: "As a result of the shortage of cotton pickers, damaging weather conditions and the low price of cotton, farmers of northwest Texas are so discouraged that great numbers of them will abandon that industry, which is new to this territory, and replace it with wheat and other crops. Thousands of acres of cotton in the South Plains will go unpicked this year. Much of the staple that is being turned out by the gins is selling for prices ranging from eight to nine cents a pound, due to weather damage. At this low price it is hardly worth while picking, farmers declare. The shortage of pickers is being relieved so slowly that there are still many fields

in which none of the crop has been gathered. It is asserted that if normal conditions had prevailed this fall, including an ample labor supply, an average yield of two-thirds of a bale an acre would have been obtained in most of the counties of the South Plains. As a matter of fact, that average production was obtained, but is being lost in the fields. It is assured that the winter wheat-growing line of northwest Texas will be moved South more than one hundred miles this year as a result of the distressing cotton situation...."

Foreign Export Trade

According to the National Foreign Trade Council, Europe now holds but 49 per cent of the world's export trade, as against a pre-war 62 per cent. As Europe has shrunk as an export continent, English-speaking North America has risen by 40 per cent, Latin North America and the West Indies by 52 per cent and South America by 5 per cent. Asia's increase is greatest of all, 52½ per cent; Australasia has expanded its exports by 45½ per cent and Africa by 16 per cent."

Japan's New Land Law

The New York Times of November 11 says: "By imperial decree the Japanese Government has made effective the legislation, pending since 1910, granting to foreigners the right to own land in Japan. Heretofore they have been able only to lease, and this solely in regions not specifically designated as of military or strategic importance. Beginning Nov. 10 they may acquire title to land, always providing that it is not within forbidden areas. These include the islands of Hokkaido, Saghalien and Formosa, and numerous districts within specified distances from fortified sections and from naval bases. From the point of view of Americans in Japan the final promulgation of this law, so long awaited, has no especial significance. The number of permanent residents in Japan of American nationality is small. They have always been able to obtain by lease such properties as were necessary to their lawful occupations. Japan was never faced with the problem of large numbers of Americans wishing to buy and settle on rich agricultural lands, and there to establish colonies in which they sought to perpetuate their own language and customs. But this final act is important as an indication of Japan's progressiveness and her good-will toward other nations....."

Marketing Consciousness

"Industry's problems largely have been confined to the scene of production, which has now been developed to such a high state. We have, with the exception of a few short periods, always had in industry in this country a seller's market. Conditions are changing. Our productive capacity is now such as to bring about keener competition at home and abroad and the need for the creation of new markets for the products of industry. Our industrialists have been primarily production men. They are now developing a marketing consciousness and are awakening to the need for more efficient industrial marketing methods." (Malkolm Muir, president of Associated Business Papers, Inc.)

New York Milk Frauds

The New York Times of November 11 reports that the suspension of two men milk inspectors and the forced resignation of three women milk inspectors, all accused of graft, was announced November 10 by Health Commissioner Harris. Forty-five employees of the Health Department have been dismissed or have resigned under compulsion since Doctor Harris assumed office on Jan. 3 and began his inquiry into graft in the inspection of foods.

Section 3
MARKET QUOTATIONS

Farm Products Nov. 11: Livestock quotations at Chicago: Top price of hogs at $12.10 and bulk of sales at $11.25 to $11.85.

New York sacked Round White potatoes at $2.85-$3 per 100 pounds in eastern markets; $2.60-$2.65 f.o.b. Rochester. Wisconsin sacked Round Whites at $2.40-$2.60 carlot sales in Chicago; mostly $2.25 f.o.b. Waupaca. New York Baldwin apples $3-$3.25 per barrel in New York City; $2.60-$2.75 f.o.b. Rochester. Illinois and Michigan Jonathans $4-$4.50 in Chicago. Wisconsin Danish type cabbage $32-$35 bulk per ton in Chicago and $24 f.o.b. Racine. New York and Middlewestern yellow variety onions mostly $1.50-$2 sacked per 100 pounds in consuming centers and $1.40-$1.65 f.o.b. shipping points.

Average price of Middling spot cotton in 4 designated spot markets compared with the average of 10 markets last week, declined 14 points, closing at 11.92¢ per lb. December future contracts on the New York Cotton Exchange advanced 3 points, closing at 12.31¢. Holiday in New Orleans. (Prepared by Bu. of Agr. Econ.)

Industrials and Railroads	Average closing price	Nov. 11,	Nov. 10,	Nov. 11, 1925
	20 Industrials	154.66	153.41	154.18
	20 R.R. stocks	118.69	118.43	105.10

(Wall St. Jour., Nov. 12.)

DAILY DIGEST

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Vol. XXIII, No. 38 Section 1 November 13, 1926.

COTTON FINANCING SUGGESTION An Associated Press dispatch from New York to-day says: "The Government plan to finance 4,000,000 bales of the American cotton will not wholly solve the cotton problem, said Nicholas Parachimonas, an Egyptian cotton cultivation expert, who has been making a survey of textile conditions in New England. With an excess of 7,000,000 bales in this country, Mr. Parachimonas says that the only remedy to prevent a collapse which may send cotton to 7 or 8 cents a pound is for the Government to finance the whole surplus and then take strong measures to prevent recurrence of the situation by curtailing production."

WOOL MARKET The Commercial Bulletin (Boston) to-day states that the wool market, which was par to 5 per cent lower at the first of the week, has practically recovered its loss. Trading has been brisker, as the week advanced, and prices stronger, due chiefly to the stronger market in Australia, where prices have advanced about 5 per cent on the finer wools, in consequence, largely, of English buying at higher limits, presumably due to the expectation of the end of the British coal strike. The foreign markets appear to be near to stabilization. The River Plate markets are more active and some low quotations out of Montevideo a week ago have been bolstered up a cent or more per pound. The report says: "The first sale of fall wool in Texas saw most of the wool withdrawn, only a few small lots being sold in the range of 25 to 27 cents."

THE GRAPE INDUSTRY An editorial in The Baltimore Sun to-day says: "Production of ethyl alcohol, according to figures made public by the Department of Commerce, increased 75 per cent in 1925 over 1923, being valued at $56,000,000. Assuming that the bootlegger is not responsible for this enormous expansion in output--we are given to understand that illegal diversion has been largely checked--surprise and gratification may be expressed at this evidence of growth in demand for commerce, industry and the arts. It shows they are flourishing. But if explanation of this volume of alcohol is thus to be found, what shall be said of the amazing appetite the American people have developed for grapes? The Department of Agriculture notes an increase in the grape crop of four hundred million bushels in 1926 over 1925. The total reaches the magnificent figure of 2,366,055,000 bushels, of which California raised something over 2,000,000,000 bushels....."

AUTOMOBILE ACCIDENTS Approximately 165,000 persons lost their lives during the past twenty years as a result of automobile accidents, according to a statement issued by the Committee on Traffic Accident Statistics of the National Conference on Street and Highway Safety yesterday. The Committee estimates that if the death rate from automobile accidents in 1925 should continue unchanged for the next twenty years, and if the population of the United States at the same time should remain stationary, the total number of fatalities due to automobile accidents in that period will be approximately 440,000 persons.

Section 2

Agricultural Organization

An editorial on organization in agriculture, based on Department of Agriculture figures, in The Farmer (St. Paul) for November 6, says in part: "For the past quarter century thoughtful students of agricultural questions have firmly believed that lack of organization was and is the chief problem of farmers. The experience of the past six years, in particular, has brought this matter of organization sharply to mind. During the years when business was organizing its corporations and other organized devices for collective action, during the years when labor was perfecting its machine, the farmer alone forgot to perfect similar machinery for collective action. When the crash came a few years back, the unorganized agricultural class paid for this neglect because the organized classes were able to avert the full force of the blow which brought disaster to the farmer. Lack of organization is undoubtedly the largest single problem of agriculture. The great question in considering any type of farm relief proposals is to figure out how the farmer can keep for himself any price advantage which legislative action would bring. Getting an added price for farm products would mean little to farmers if the labor and industrial classes jacked up their prices a notch or two. Legislative relief proposals are in vain so long as the farmers of this country remain unorganized...."

British Cost of Living

The average level of the cost of living in Great Britain on the 1st of October, 1926 was 74% above that of July 1914. This compares with an increase in the previous month of 72% and of 76% at the beginning of October 1925, according to advices just received by Bankers Trust Company from its British information service. For food alone the increase at the beginning of October 1926 was 63%, comparing with 62% at the beginning of September and with 73% at the beginning of October last year. The increase over the month of September is mainly due to seasonal increases in the prices of eggs and milk, which, however, were partly counteracted by decreases in the prices of bread, flour and potatoes. The decrease from last year's figure is largely due to the lower prices of butter, eggs and potatoes.

Canadian Wheat and Oat Crops

An Ottawa dispatch to the press of November 12 states that the Canadian Bureau of Statistics November 11 estimated the total yield of spring wheat at 385,045,000 bushels, and of fall wheat at 20,769,000 bushels for this year. This is a total for all wheat of 405,814,000 bushels as compared with 411,375,700 bushels a year ago. The total yield of oats is estimated provisionally at 364,777,000 bushels as against 513,384,000 last year.

Crop Reports

An editorial in The Journal of Commerce for November 12 says: "The regular Government crop reports showing production prospects or estimates of all leading crops during the season now at a close, as of November 1, indicates that taking the farm situation as a whole the outlook is not particularly dark. When it is recalled that the output in 1925 was a very substantial one and that in one or two instances where production is large this year large carryovers exist, the conclusion is apt to be reached that it would have been just as well for the farmers had they limited their operations in these cases a little more closely than they did. But even so, the winter does not seem to promise anything very bad for most rural producers, and,

on the contrary, a good many are fairly certain of a very comfortable period. Apart from certain spheres of activity, as for example cotton culture, the leading difficulty of the agricultural producer this year is just what it has been for a considerable period of time, namely, high prices for supplies and the like that he must have from industrial districts. At some time no doubt they will reach the point of standing out firmly and more or less unitedly for their rights. That time has not yet come, however."

Cotton Situation

Modern Farming for November 1 says: "The main topic of conversation among cotton growers this past winter was the fear of overproduction. Every educational agency in the South--from the teacher of one-room schools to the presidents of our agricultural colleges, warned us of the consequences of planting too heavily of cotton. Modern Farming and all other farm papers predicted to a nicety just what the penalty would be if the danger signs were not heeded. They were not heeded, and the result of our own folly has recoiled upon us. Now come certain politicians and farmers who would have the Government decree, in violation of the spirit, if not of the letter of the Constitution, just how much cotton shall be planted. Since when have American farmers lost the right and the power of self-determination? Why not also let the Government select our supply merchants for us--our bankers--our churches--our wives? Often the individual sorely regrets the results of his own selection, but he has the manhood to stand by it, and make the most of the situation. Can the collective farmers of the South do less? It would be vastly different if the present condition were the result of some injustice, and that injustice could be removed by legislative act. That would indeed be a case for governmental interference. But our present troubles came upon us through our own folly, and were foreseen nearly a year in advance. They were prophesied by many who are now suffering the penalty--men who knew better, but who took a chance....."

Forestry Plea

A dispatch from New Haven, Conn., to the press of November 12 says: "There are 80,000,000 acres of waste land in the United States which could be made into excellent timber territory with proper care and supervision, it was stated November 11 by Ovid M. Butler, secretary of the American Forestry Association. He is here to confer with the Connecticut Forestry Association and the Yale School of Forestry regarding the annual convention of the national association here in January. 'Unless the Government and the people are awakened to the necessity of preserving America's forest lands,' he said, 'there will be no old-growth timber available within forty years. There is a crying need for better cooperation between the Federal Government and the States, and for the awakening of the public to the seriousness of the situation. At the present rate of cutting and with the frequency of forest fires, the United States will have no timber of its own in less than half a century.'"

Ice Cream Publicity

An editorial in The Ice Cream Review for November says: "Delegates to the Detroit convention of the National Association of Ice Cream Manufacturers were especially interested in the national educational publicity program. The committee having the program in hand must have been highly pleased with the situation. They surely gained ample evidence that their efforts for the good of the industry

are cordially appreciated. It was clearly the consensus of opinion that the big task has been well begun and that plans for the future have the hearty approval of the leading ice cream manufacturers of the country--at least those who were at Detroit, and that takes in a majority of them.....Approval was given by the convention to the three year program proposed by the committee. This program is ambitious; it provides for making 1927 the greatest ice cream year in the history of the industry. A gain of 20 per cent is the objective for the year, and for the next five years a total gain of 100 per cent. The program calls for a definite yearly sum of $250,000, the maximum rate of investment to be based on one-third cent per gallon. A total of 75,000,000 gallons must be pledged before investment agreements become valid. If more than 75,000,000 gallons are represented the pro rata rate will be reduced accordingly....The new agreement becomes effective February 1, 1927, and the committee hopes to raise the fund with the minimum of expense and effort....."

Mexican Conditions

An editorial in The Wall Street Journal for November 12 says: "A sheep can not be skinned and still produce wool. Mexico has been skinned. A real and serious economic crisis is developing as a result of bolshevism in that country. Once Mexican credit was high, but now exchange which had been standing around 49, has dropped to 47.70. Fully a dozen business houses in Mexico doing business here have asked that their invoices be paid in checks drawn on banks in the United States. Summarized, the reasons given were 'because of bad banking and economic conditions in Mexico and the danger of carrying accounts of considerable amount' there. Capable persons coming from Mexico say the condition of the poorer people is pitiable--on the verge of starvation. Mexico now can not begin to feed itself. Of its principal food products it produces less than half what it did in 1910, the last year of the Diaz administration. One of the outstanding crimes of the present regime is the death of agriculture, due to the bolshevistic land policy camouflaged under the title of 'agrarianism.' The same blighting effect the hand of bolshevism in Russia had on productive enterprise with consequent unemployment is seen in Mexico. All industry is weighed down with taxes beyond all reason....One of the leading newspapers of Mexico commented on this editorially, one extract from it being as follows: 'Neither commerce, agriculture, mining or other industry can live with the staggering taxes they pay to the federation, the state and the municipality. That in our opinion is the explanation of the economic crisis through which the country is passing, or at least one of its most important determining causes. If to this be added the absence of foreign capital, which does not humanize with us, the decrease in certain articles such as cotton and silver, the decrease in the exportation of oil, and the high freight rates of the railroads, almost a complete picture will be had of the phenomenon which weighs down on the Nation.' A sheep can not be skinned and still produce wool. Mexican industry has been skinned and agriculture reduced to zero, and the working people are finding employment scarce and food still scarcer....."

Section 3
MARKET QUOTATIONS

Farm Products Nov. 12: Livestock quotations at Chicago: Top price of hogs at $11.80 and bulk of sales at $11.25 to $11.75.

New York sacked Round White potatoes $2.75-$2.95 per 100 pounds in eastern cities; $2.60-$2.65 f.o.b. Rochester. Wisconsin sacked Round Whites $2.35-$2.50 carlot sales in Chicago; mostly $2.25 f.o.b. Waupaca. Virginia yellow sweet potatoes in New York City $1.25-$1.50 per barrel. Tennessee Nancy Halls $1-$1.10 per bushel hamper in Chicago. Wisconsin Danish type cabbage $7-$10 higher in Chicago at $32-$35 bulk per ton and $24 f.o.b. Racine. New York stock at $20-$25 in eastern markets and $15-$17 f.o.b. Rochester. New York Rhode Island Greening apples $3-$3.25 per barrel in New York City. Baldwins $2.60-$2.75 f.o.b. Rochester. Michigan and New York Baldwins $3.25-$3.50 in Chicago.

Closing prices at Wisconsin primary cheese markets for Nov.11: Single Daisies 24¢; Longhorns 24¼¢; Square Prints 26¼¢.

Closing prices on 92 score butter: New York 50¢; Chicago 48½¢; Philadelphia 51¢; Boston 48¢.

Average price of Middling spot cotton in 10 designated markets advanced 36 points, closing at 12.29¢ per lb. December future contracts on the New York Cotton Exchange advanced 33 points, closing at 12.64¢ and on the New Orleans Cotton Exchange they advanced 29 points, closing at 12.68¢.

Grain prices quoted: No.1 dark northern-Minneapolis $1.41-$1.45. No.2 red winter-St.Louis $1.38. No.3 yellow corn-Minneapolis 71¢; St.Louis 67¢. No.3 white oats-Minneapolis 41½¢; St.Louis 43¢. (Prepared by Bu. of Agr. Econ.)

Industrials and Railroads

Average closing price	Nov. 12,	Nov. 11,	Nov. 12, 1925
20 Industrials	155.00	154.66	155.47
20 R.R. stocks	118.86	118.69	105.46

(Wall St. Jour., Nov. 13.)

DAILY DIGEST

Prepared in the United States Department of Agriculture for the purpose of presenting all shades of opinion as reflected in the press on matters affecting agriculture, particularly in its economic aspects. Responsibility, approval or disapproval, for views and opinions quoted is expressly disclaimed. The intent is to reflect accurately the news of importance.

Vol. XXIII, No. 39 Section 1 November 15, 1926

COTTON IS WITHHELD A New Orleans dispatch to the press to-day says: "While the cotton holding movement has not yet had a full opportunity to assert itself, there is no doubt that the better fixed producers have been holding back their cotton and there has been a marked falling off in hedge sales, indicating a relief of the pressure which prevailed until recently. The plan to withdraw 4,000,000 bales from the market by extending loans to holders of cotton to the extent of 9 cents a pound, will undoubtedly have a stabilizing effect as soon as the movement is well under way and it is the announced intention of the cooperative associations which have been formed and financed in every cotton State, to get fully to work."

GRAIN POOLS A Calgary, Alberta, dispatch to the press of November 14 says: "There is no hope of a world-wide wheat pool under a central organization, H. W. Wood, president of the United Farmers of Alberta, asserted November 13 on his return from Australia and the Orient. The pool system, however, will be the dominating factor in the separate grain centers of the world, he believed. Mr. Wood predicted that the Australian pool would ultimately achieve the fullest measure of success."

COUNTRY LIFE ASSOCIATION The press of yesterday reports: "Headed by Kenyon L. Butterfield, president of the American Country Life Association, founded by ex-President Roosevelt, a committee November 13 informed President Coolidge of the work this organization is doing to strengthen American rural activities. Mr. Butterfield declared the study of the relations between farm income and farm life now being carried on was the vital subject before the American people and the thing upon which economic stability was founded..."

HIGH SCHOOL STUDENTS AND FARMING A Philadelphia dispatch to the press of November 14 says: "Surprising results have been found regarding high school students' ideas of life in a canvass of 25,000 boys and girls in five States, by Montaville Flowers of Pasadena, Cal., educator, lecturer and author. Among other things, Mr. Flowers found that high school students had a big laugh for farming or the ministry as their life work. In a survey of high schools in California, Pennsylvania, New Jersey, Delaware and Maryland, Mr. Flowers said he had found only seven boys who admitted they contemplated entering the ministry. The distaste for farming, too, was so prevalent that the educator freely predicted that 'tremendous changes in agricultural production will have to take place if the present defections from the farms continue.' Everywhere, Mr. Flowers said, he found a large percentage of the parents of the high school students had come from the country, or still lived in rural sections, and in many cases the high school boys and girls themselves came from farm homes. Yet, he said, no appreciable fraction of the students admitted that they expected to return to the soil for their living."

Section 2

American Cotton Crop and British Plans

A London dispatch to the press of November 13 says: "The enormous American cotton crop, together with bad climatic conditions in the colonies, has set back the British Empire cotton growing project to some extent, but the promoters are not despondent. In a speech to the administrative council of the Empire Cotton Growing Corporations Lord Derby said empire cotton growing was going through a critical phase and the large American crop had reduced prices to a level which could not have been foreseen a few years ago. He said South Africa and Rhodesia should be able to grow cotton with at least as good a chance of profit as farmers in the United States and urged Lancashire to continue its support and encouragement of the cotton growing industry within the empire...."

Business

The Annalist for November 12 states that business, and especially building, is booming, though automobiles have fallen into a somewhat dull state owing to depression in the South and the Middle West. The effects of cheap cotton are not yet fully developed. Commodity prices tend lower. Consumption on credit dominates our economy.

Corn Supply

An editorial in The Wall Street Journal for November 13 says: "Our corn crop is 2,693,963,000 bushels against 2,905,053,000 a year ago, and a five-year average of 2,849,189,000. Thus, there is a smaller supply of corn for feed and industrial purposes than a year ago. The price, however, rules about 5 cents a bushel below that of 1925. Farm reserves of old corn on the first of November amounted to 181,000,000 bushels and the visible was 22,500,000, making a total supply of 2,907,521,000 bushels. A year ago the total was 2,984,800 bushels, so, in volume, the present supply is but fractionally less than a year ago. But there are other things to be considered. In June, showing no material difference in number of spring pigs, a survey revealed that the number of sows to be bred for fall farrowing was 36.4 per cent larger than in 1925. Hog prices and the ratio between corn and hogs have favored the producer, so it is a fair inference that the breeding intentions were carried out. Even a 25 per cent increase in breeding sows would make 700,000 more. In terms of pigs produced this should mean from 3,500,000 to 4,000,000 more than were produced in the autumn of 1925.

"Percentage of merchantable corn is 72.6 against 81.8 a year ago. This difference in quantity of merchantable corn is of far more significance than any export demand we can expect. It is a serious reduction in the volume of commercial corn for commercial and industrial use. Unmerchantable corn can be consumed on the farm, but its feeding value is reduced. So, in this poor quality there is a great shrinkage of the crop with the probability of more pigs to be fed. Europe's corn crop is larger than a year ago, due to a good production in Rumania. Also, Europe prefers to buy corn in Argentina. That country has an exportable surplus at this time of about 106,000,000 bushels to last until March 31, 1927, when its corn crop year ends. As it is shipping at the rate of 5,000,000 bushels a week, the supply is equal to a continuation of such shipments if required by Europe. Our own export of corn is almost negligible. But we have a visible supply in commercial channels of over 22,000,000 bushels to answer for export and domestic demands even before drawing on the farm supply. Taking all these matters into consideration, it is a fair inference that the smaller size of the crop is not so apt to be felt now as in the latter half of the season."

Cotton Acreage

An editorial in The American Fertilizer for October 30 says: "The market was prepared for the latest government cotton report, and suffered only a fractional decline. The price is not likely to drop any lower, even if continued good weather should still further enlarge the crop. The mills both in Europe and in this country are buying freely, and growers will receive financial assistance in holding a substantial part of the crop. Just how much cotton will be held by the growers, and for how long, is not yet evident. A loan of 10 cents per pound on four million bales would require $200,000,000. This is not an impossible sum for Government and private banks to advance, but it is much more than has ever been loaned on a single crop collateral. A short-time holding will have little effect on the price, for the large consumers of cotton will be out of the market for several months, and cotton in a bonded warehouse is still cotton, and will have the same effect on the market as it would have if stored any other place. If the cotton is held into the next crop year, its value will depend on the size of that crop, which raises the question of next year's acreage. A general voluntary reduction of acreage will occur only in case cotton is cheap at planting time and is likely to remain cheap. Any prospect of twenty-cent cotton is fatal to a small planting. Nor will a reduction in acreage be brought about by financial pressure from the local banks....A compulsory reduction of acreage has been proposed in several sections of the South, but it is not clear how this can be brought about A special tax on land planted in cotton for two successive years has been suggested. This might be effective if it got by the State constitutions and courts, but such a law would work so much to the advantage of the Southwest as against the Southeast that its enactment in many States would be impossible. Texas has about fifteen million acres of cotton land that has never been planted. Disregarding constitutional obstacles, it will be difficult, if not impossible, to secure restrictive legislation in all the States growing substantial quantities of cotton....It is well that part of the crop should be kept off the market at present. Orderly marketing is always advantageous to the grower. The amount carried into the next crop year will be larger than usual--whoever holds it. If some of it can be held by the growers, so much the better. But to propose to hold cotton for twenty cents is to disregard the economic and political conditions in the cotton States and to forget all the lessons of experience. Only cheap cotton will reduce the acreage."

Rubber Shipments

Up to the end of September a grand total of 448,672 tons of rubber, both plantation and wild, had been shipped throughout the world. The greater part of this rubber was from plantations, 421,120 tons; 171,725 tons came from British Malaya, 109,123 tons were Malaya foreign imports, about 88% of which came from the Dutch Islands, according to advices just received by Bankers Trust Company of New York from its British information service. Ceylon shipped 42,483 tons, Java 36,370 tons and Sumatra 30,936 tons. Of the other rubber, 18,592 tons were from Brazil and 8,960 tons were wild rubber. The total of world shipments of rubber in the period ended September 1925 was 367,753 tons. During the 9 months ended September the United Kingdom consumed 32,234 tons of rubber, and had on hand a stock of 36,774 tons. This compares with consumption of 29,806 tons for the entire year 1925 and a stock on hand at the end of the year of 6,220 tons. Consumption in the United States totaled 276,427 tons in the 9 months of 1926,

compared with 384,644 tons for the entire year 1925. At the end of September this year stock on hand amounted to 62,078 tons while at the end of December 1925 it was 51,215 tons. The exports of rubber and gutta percha from the United Kingdom during the period January to September 1926 totaled 41,873 tons. Taking this tonnage from total imports of 107,292, leaves 65,419 tons as retained in the 9 months. For the year 1925 imports amounted to 92,837 tons, exports to 84,477, and the total amount retained to 8,361 tons. For the United States imports last year totaled 396,642 tons, exports 14,872 tons, and the balance retained, 381,770 tons. This year to the end of September the figures are: 269,842 tons imported, 10,163 tons exported and 232,280 tons retained."

Wheat Importation

"American Importation of Canadian Wheat" is the subject of the November wheat study of the Food Research Institute of Stanford University. In its summary the report says: "During recent years the United States has imported Canadian hard spring wheat, in part under bond to grind for flour for export, and in part for domestic consumption over a tariff of 30 or 42 cents. Total imports have run as high as 27,000,000 bushels in a single crop year; the amounts imported for grinding for consumption of flour have ranged up to nearly 14,000,000 bushels. American flour mills located in the States bordering on the Great Lakes import Canadian hard spring wheat for domestic consumption, to supplement or supplant American hard spring wheat, whenever the transaction promises a net gain in product or a net saving in cost.... This study incidentally brings out the fallacy of a common view that even in a year of short crop in the United States the price of wheat can be raised above the price of Canadian wheat to the extent of the tariff duty. The influence of the duty is not exerted equally on all American wheats, but predominantly on those with which Canadian wheat is comparable and mainly at certain competitive points. The present study has not included any consideration of the demonstrable extent of the protective action of the present tariff or the effects of the tariff on growers and millers of wheat and on consumers of wheaten products, nor have we entered into inquiry of the effects on growers, millers, and consumers likely to be anticipated in the event of either a lowering or a raising of the tariff duty. These and other important questions deserve separate and detailed consideration in which, in part, the price material used in this study and printed in the appendix finds application."

Section 3

Department of Agriculture

An editorial in The Washington Post for November 13 says: "The Department of Agriculture staged a scenic exhibit for the annual meeting of the National Milk Producers Association in Cleveland during the past week. It showed a stream flowing at the rate of 7,000 gallons each minute, which stream represented the volume of skim-milk and buttermilk that is not utilized to the best advantage each year in the United States, according to the department's scientists. This startling exhibit was prepared from the statistics gathered by the experts of the Bureau of Dairy Industry, which statistics prove beyond the shadow of a doubt, in the minds of those same experts, that the total annual by-products of the dairy, the cheese factory and the creamery reach the enormous total of 28,400,643,000 pounds of skim-milk

and buttermilk, 'which are wasted to the extent of at least 80 per cent' because not scientifically used.

"Some doubt might exist as to the absolute accuracy of these figures if they had been stated in round numbers. But it should be noted that the thousands of pounds following the millions and the billions are just 643 and not 'about 643,000' which is proof positive that the scientists made exact measurements before letting the public into the secret of the cost of a glass of so-called buttermilk in any high class restaurant in New York, Chicago or Washington....Instead of trying to convince the public that feeding whey, skim-milk and real buttermilk--right out of the churn--to hogs and calves is wasting good protein, it would seem that the Department of Agriculture might better devote some of its energies, and a portion of its appropriations, to devising a plan whereby the gap between the waste-vats of the creameries and the buttermilk lovers of the cities may be reduced about 99 per cent."

Section 4
MARKET QUOTATIONS

Farm Products For the week ended November 13: Chicago hog prices closed at $11.75 for the top, bulk of sales $11.25 to $11.75. Compared with a week ago, fat steers are 15 to 25¢ lower, all others and yearlings fully steady. Cows and heifers are steady to 25¢ lower, vealers are unchanged and stocker and feeder steers are weak to lower. Fat lambs are $1 to $1.25 lower, yearling wethers around $1 lower, fat ewes 25 to 50¢ lower and feeding lambs 25¢ lower than last Saturday's close.

Maine sacked Green Mountain potatoes $3 to $3.35 per 100 pounds in eastern cities, New York sacked Round Whites $2.50 to $2.55 f.o.b. Rochester. Wisconsin sacked Round Whites $2.35 to $2.45 carlot sales in Chicago; $2.20 to $2.25 f.o.b. Waupaca. Apple markets dull. New York Baldwins $2.75 to $3.25 per barrel in New York City. Onion prices tending lower. Midwestern yellow varieties ranged $1.35 to $2 sacked per 100 pounds in consuming centers; $1.40 to $1.65 f.o.b. New York Danish type cabbage firm at $15 to $17 bulk per ton f.o.b. Rochester; about steady in city markets at $20 to $25. Wisconsin stock $33 to $35 in Chicago.

Hay market steady. Receipts somewhat increased but demand generally sufficient to absorb offerings of good grades. Timothy markets showing slightly firmer tone. No.1 timothy New York $28.50; Cincinnati $20.00; Chicago $21.; St.Louis $22.50. No.1 alfalfa Kansas City $20. No.1 prairie Kansas City $15.50; Chicago $21.00; St.Louis $18.50; Minneapolis $19.50. Feedstuffs holding barely steady. Western markets firmer than eastern points.

Average price of Middling spot cotton in 10 designated spot markets advanced 24 points during the week, closing at 12.20¢ per lb. December future contracts on the New York Cotton Exchange advanced 29 points, closing at 12.48¢ and on the New Orleans Cotton Exchange they advanced 28 points, closing at 12.60¢.

Butter markets during the week ending November 13 were in a steady to firm position. Trade was only fair although light receipts largely prevented accumulations. The production factor remains of prime importance. Closing prices on 92 score butter: New York 50¢; Chicago 48 1/2¢; Philadelphia 51¢; Boston 48¢.

Cheese markets were steady with prices on the cheese boards of November 5 showing no change. Trade was dull with southern demand noticeably lacking. Wholesale prices at Wisconsin primary markets November 12: Single Daisies 24¢; Double Daisies 24¢; Longhorns 24 1/4¢; Square Prints 25 1/4¢. (Prepared by Bu. of Agr. Econ.).

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DAILY DIGEST

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Vol. XXIII, No. 40 Section 1 November 16, 1926.

FARM RELIEF CONFERENCE

An Associated Press dispatch to-day from St.Louis says: "The problem of the unexportable agricultural surplus was to the fore again last night as farmer-organization leaders in the North Central States met in this city in the hope that the voice of the southern cotton planter would add the necessary effectiveness to their repeated demand for Congressional relief. For the first time the South was ready to join the North in a discussion of common agricultural problems. It was expected representatives of farmer organizations in Tennessee, Arkansas, Oklahoma, Mississippi, Texas and North Carolina would enter the opening session of a two-day conference to-day, with representatives of the eleven North Central States who first raised their voices in a co-ordinated demand for legislative relief at Des Moines two years ago. The St.Louis meeting grew out of a session of the Grain Belt Federation of Farmer Organizations at Des Moines last month. Farmer-organization leaders were at one in a belief that the principles of a permanent agricultural policy would grow out of the conference, although a permanent organization will not be formed. Among the leaders it was emphasized that no one piece of proposed legislation would be emphasized at the conference, but it was agreed that the principles of the defeated McNary-Haugen bill still should be held as fundamentally correct from the farmers' viewpoint and that any recommendations probably will follow its general outline...."

INDIANAPOLIS CONFERENCE

An Indianapolis report to-day says: "Three hundred bankers, manufacturers, farmers and others interested in the rehabilitation of the farming industry opened a two-day fact-finding conference at Indianapolis yesterday under the auspices of the United States Chamber of Commerce and the Indianapolis Chamber of Commerce. The conference devoted itself particularly to farm problems of Indiana, Illinois and Michigan. Chief among the points brought out was that no further credit extension could help the farmers; that taxes could not be further reduced but that the burdens of taxation must be more equitably distributed and that agriculture must be placed on the same earning basis as other industries....."

MELLON FAVORS TAX RETURN

The press to-day says: "Estimate of the total of surplus revenues which will be available as refunds or credits to the taxpayers, if Congress gives its approval to such a proposal, was raised at the Treasury Department yesterday from $250,000,000 to $300,000,000, and Secretary Mellon, while disclaiming authorship of any formal plan to designate how the return should be effected, was represented as believing that it safely could be made 15 per cent, instead of 12½ per cent, the figure he had proposed earlier...."

RURAL HEALTH WORK

The United States Public Health Service, reporting for 1925-26, says that progress in the development of wholetime rural health service continued in that period and that the prospects are good for a better rate of progress in this "vitally important field."

Section 2

Bank Failures

Craig B. Hazlewood, vice president of the Union Trust Company of Chicago, writing under the title "Better Banking is Imperative" in American Bankers Association Journal for November, says: "... There is more proof, and that of a direct nature, in the statement of the head of a State banking department in the Middle West, who says that mismanagement of one kind or another has been found in 99 per cent of the bank failures which he has reviewed during his tenure of office....This is what he wrote me in May of this year: 'The bank failures we have had in this State bring out very prominently four or five faults in country bank management, which are interesting to say the least. It is surprising how uniform these faults are in all of our closed banks. We have made an analysis of these matters and find the four or five outstanding reasons for bank failures to be as follows: 1. Excess loans are found in every closed bank, and they indicate a total disregard for the legal limit to be loaned to any one customer. 2. Excessive loans to officers and directors and interests with which they are connected vary in amount in different closed banks, but many times they were the direct cause of the failures. 3. Capital loans, that is, loans by a bank of its funds in the capital credit structure of its customers' businesses. We find many banks have loaned from one-half to nine-tenths of the capital employed in the business of their customers, with a total disregard of good banking practice which permits making loans only for the temporary necessities of customers. They know these loans can not be paid at maturity, and the customer knows he can not pay. It is simply tying up the funds of the bank in strictly frozen assets. 4. Real estate investment and real estate speculation by bank officers, directors and relatives. 5. Plain incompetence is responsible for from 50 per cent to 99 per cent of all bank troubles.'...."

Business Conditions

A New York dispatch to the press of November 15 says: "Present business conditions are sound and indications are that industrial and commercial activity on the whole will continue at a satisfactory momentum, so far as the immediate future is concerned. That is the composite judgment of leading industrial and financial executives of the country on the basis of October reports, obtained in conferences on the business outlook and weighed in the light of recent business trends by the National Industrial Conference Board. Increasing stability is the outstanding characteristic of business development during the last five years, according to the board's analysis of conditions....."

Cotton Loan Plan

The Journal of Commerce for November 15 states that loans by the cotton finance corporations to approved holders of cotton would mature about March 1, 1928, no provision being made for the earlier calling of the notes, according to the tentative plans worked out at Washington by the representatives of the corporations in conference with the members of the Federal Farm Loan Board and heads of the intermediate credit banks. The statement continues: "It was indicated by Federal Farm Loan Commissioner A. C. Williams that for the most part the details of the plan to take some 4,000,000 bales of cotton off the market would be left to the discretion of the officials of the intermediate credit banks. Thus they will have to pass on the question of eligibility, the main consideration in determining

whether a loan to be made under the plan is, within the intent of the law, for an 'agricultural purpose.'...."

Cotton Restriction

An editorial in The Farm Journal for December says: "The thoughts of many people concerned with the glut of cotton and the demoralization of prices turn toward England and its Stevenson plan of rubber restriction. Would such a scheme work on cotton? There would have to be a decision by a Government Cotton Board as to how much cotton is needed for world requirements, and to maintain cotton prices at a profitable level. This total, say 12,000,000 bales, would have to be pro-rated among States and counties, and so down to individual farmers. During each three-month period, each farmer would be allowed to sell so much cotton, without tax. If he sold any more, a very heavy excise tax would be collected on every pound sold over this amount. If cotton prices were still too low, the amount that could be sold, tax-free, would be still further cut down for the next three months. If prices were above standard, more cotton would be released. The chances are that a profitable level of prices could thus be maintained, at least for one season. There would be much bootlegging of cotton, to avoid the excise tax. An expensive organization of thousands of Government agents and inspectors would be necessary to enforce the law and collect the tax. There would be much dissatisfaction with the decisions of the cotton board, and much political wire-pulling to get more or less cotton released, and prices pushed up or down. Speculation in cotton would be more risky than ever. Finally, there would be every encouragement to cotton-growing in Mexico, Egypt and all other cotton territory, just as the rubber restrictions are encouraging rubber-tree planting in Liberia and the Philippines. We do not believe in Government interference in agriculture, and we do not believe a Stevenson plan on cotton would be worth its cost. But it would be interesting and enlightening to see it tried."

Cotton Surplus

An editorial in The Economist (Chicago) for November 13 says: "Much good ink is being wasted in discussions of the question whether the country can ever have too much of a useful commodity. It is being asserted that 18,000,000 bales of cotton at 12 cents a pound will do the South as much good as 11,000,000 bales at 20 cents, while the country at large will be benefited by an abundance of cotton products at low prices and heavy export buying. The benefits, temporary at least, to consumers of cotton are undeniable, but the country as a whole can not improve its position by obtaining goods from a part of it at less than the cost of production. All trade, and most of all internal trade, consists of exchanges advantageous to both buyer and seller. Nobody ever intended that such a crop should be raised this year, or expected that it would sell for as little as 12 cents at harvest time. Probably few individual planters had any idea of the acreage being planted to cotton until too late to change their plans. It is not good business to produce any commodity a year or two before it can be used. The excess of cotton is a bad thing for the South and the saddest part of it is that it is the South's own fault."

Oklahoma Asks Lower Cotton Rates

Depression and reduced prices now prevailing in the cotton market were cited to the Interstate Commerce Commission by the Oklahoma Corporation Commission as a reason for revising and lowering rates on cotton moving out of that State. The statement declared the railroads had placed unreasonable rates on Oklahoma cotton moving to Texas ports, and that rates to the ports from Texas-producing districts, as compared with Oklahoma rates, were discriminatory. Rates maintained from Arkansas to Texas ports were described also as so low as to constitute discrimination against Oklahoma. (Press, Nov. 15.)

Potash Discoveries

The Interior Department announced November 14 that the Geological Survey has received from its field men in New Mexico, Texas, and Utah, important information concerning potash--that a number of potash minerals have been found which afford increasing evidence of the similarity of American deposits to the famous deposits in France and Germany. Four of the potash minerals found in Stassfurt have likewise been found in New Mexico and Texas--sylvite, kainite, polyhalite (both red and white), and langbeinite. In addition, carnallite has been sent in from Utah. Langbeinite and kainite have not been previously reported in the United States. Carnallite, sylvite, and kainite have furnished the basis of the German and Alsatian potash industries.

Russian Potash Fields

An Associated Press dispatch from Moscow November 14 says: "Chemical experts of the Soviet Government declared November 13 that the monopoly of Germany and France in potash production will soon be broken. In the Solikamsk district, in the western part of the government of Perm, Ural mountains, an area of potash-bearing land 30 miles square has been discovered, which is estimated to contain 600,000,000 tons of potash. The deposits in this area are only 300 feet below the surface, while in Germany, the Russian authorities assert, the deposits are generally found only under subterranean water, and in France at a depth of not less than 700 feet."

Wheat and Transportation

An editorial in The Washington Post for November 15 says: "The Bureau of Railway Economics has made an investigation of 146 points of original shipments of wheat in 20 States and the average price of wheat, for the purpose of ascertaining what influence freight rates have on the price of that commodity. It is found that the annual average transportation of wheat on the railroads during the years 1923-1925 was 175,000,000 bushels, which was greater than the annual average transportation of wheat on the railroads in the years between 1902-1913. The wheat tonnage from 1923 to 1925 was 27 per cent of the total railroad tonnage of all agricultural products. While the prices of wheat varied much during these years the freight rates remained unchanged, demonstrating that freight rates did not contribute to the fluctuations in prices. The spread in farm prices was greater than the total freight rates. Often higher prices prevailed when the haul was short than when the haul was long. The conclusion is that there is no relation between freight rates on wheat and fluctuations in prices paid to the farmers. If this is a correct conclusion there is no ground for complaint by agriculturists that low prices of wheat to the farmers are largely due to high railroad rates."

Section 3
MARKET QUOTATIONS

Farm Products Nov. 15: Maine sacked Green Mountain potatoes $2.90 to $3.35 per 100 pounds in eastern cities. New York sacked Round Whites $2.65 to $2.85; $2.55 f.o.b. Rochester. New York Rhode Island Greening apples $3 to $3.50 in New York City; $2.90 f.o.b. Rochester. New York Danish type cabbage $20 to $25 bulk per ton in consuming centers; $15 to $17 f.o.b. Rochester. Midwestern yellow varieties of onions ranged $1.50 to $1.75 sacked per 100 pounds in consuming centers; $1.40 to $1.65 f.o.b. New York yellows $1.60 to $2 in eastern cities.

Chicago hog prices closed at $11.95; bulk of sales $11.25 to $11.75; beef steers range from steady to slightly higher, heifers are 25¢ lower on the lower grades to 25¢ higher on the better grades, cows show a gain of 25 to 50¢, while vealers are steady to 50¢ higher. Heavy calves and stocker and feeder steers are steady with last Monday's prices. Fat lambs declined $1, yearling wethers $1 to $1.25; fat ewes, 50 to 75¢.

Grain prices quoted November 15: No.1 dark northern Minneapolis $1.40 to $1.44. No.2 red winter St.Louis $1.35. No.2 hard winter Kansas City $1.33 to $1.36. No.3 yellow corn Minneapolis 72¢; St.Louis 68¢. No.3 white oats Minneapolis 41¢; St.Louis 43¢.

Closing prices on 92 score butter: New York 50 1/2¢; Philadelphia 51 1/2¢.

Average price of Middling spot cotton in 10 designated spot markets advanced 5 points, closing at 12.25¢ per lb. December future contracts on the New York Cotton Exchange advanced 8 points, closing at 12.56¢ and on the New Orleans Cotton Exchange they declined 1 point, closing at 12.59¢. (Prepared by Bu. of Agr. Econ.)

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